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TS DEPARTMENT

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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1963





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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1963



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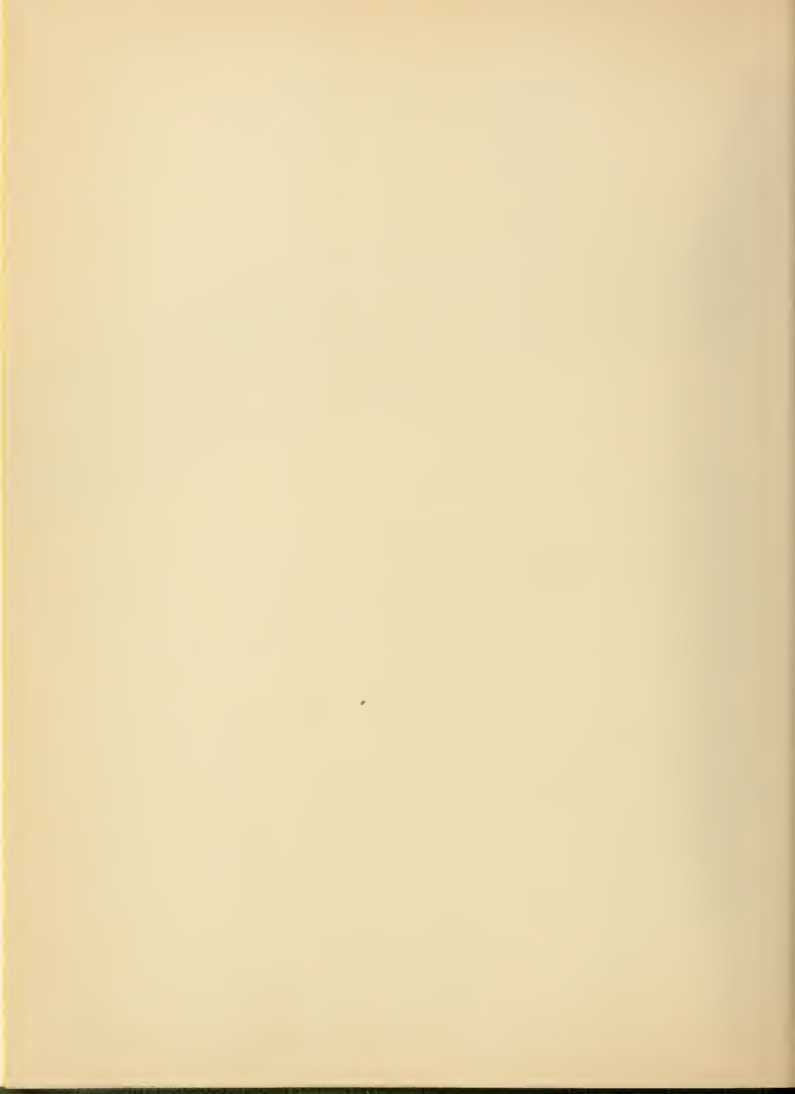
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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

November 27, 1963

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1963 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by John F. Forbes & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water and Power Project, by Hood and Strong.

Municipal Railway, by Haskins and Sells.

San Francisco Airport, by Webb & Webb.

San Francisco School Department, by Harold T. Hoertkorn & Co.

Employees' Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, the audit of the Office of the Treasurer of the City and County of San Francisco was made by the Controller's Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,



HARRY D. ROSS

CONTROLLER



STATEMENT OF REVENUES

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Property Taxes and Penalties.....	\$ 76,123,581	\$ 84,448,841	\$ 89,361,418	\$ 93,181,568	\$ 99,077,452	\$103,423,962	\$111,434,284	\$121,137,096	\$124,249,582	\$141,557,944
Retail Purchase and Use Tax.....	4,984,922	5,124,681	5,603,569	11,305,366	13,197,860	15,595,609	17,018,283	16,945,791	17,382,184	17,670,374
Hotel Room Tax.....									1,144,029	1,224,615
Hotel Taxes and Licenses.....	1,730,380	1,811,030	1,925,163	1,270,812	1,031,980	1,037,266	1,076,543	1,225,175	1,485,033	1,505,605
Court Fines.....	2,470,813	2,637,894	2,859,703	2,937,851	3,094,354	3,126,196	3,312,461	3,551,792	3,438,471	3,758,370
Departmental Revenues.....	6,961,796	7,737,720	8,275,907	8,757,344	9,362,237	10,801,621	11,416,643	11,971,527	14,640,314	17,757,576
Interest Earned.....	578,940	507,011	513,865	699,522	1,020,829	1,490,724	1,900,964	2,771,309	3,966,600	4,032,393
Rents, S. F. Unified School District.....	364,063	356,862	358,767	385,663	385,622	385,622	385,622	385,622	385,622	385,622
Housing Authority in Lieu of Taxes.....	90,099	158,035	188,143	37,276	185,254	107,586	249,724	639,483	279,741	251,753
Miscellaneous.....	91,699	479,927	109,139	118,725	306,127	689,482	136,124	730,465	885,911	1,027,797
Cash Transferred from Capital Funds.....	764,616	17,427	608,416	429,641	242,955	1,760	107,319	730	166,382	188,437,202
Cash Transferred from Trust Funds.....		1,274								
Revenues Through State of California	94,454,095	103,011,345	109,747,730	119,155,447	127,132,457	136,126,510	146,963,230	138,340,552	165,382,038	188,437,202

Shared State Taxes:

Motor Vehicle Fuel Tax:

Special Gas Tax Street Imp. Fund ..

Special Road Imp. Fund.....

Motor Vehicle Registration Fees.....

Motor Vehicle License Fees.....

Alcoholic Beverage License Subsidy ..

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Aid to Needy Aged.....

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Total Revenues

Total Revenues

Total Revenues

Total Revenues

Total Revenues

Total Revenues

Total Revenues

Total Revenues

*Denotes Deduction

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Departmental Expenditures:										
General Government:										
Public Safety	\$ 9,385,669	\$ 9,909,585	\$ 10,250,985	\$ 10,787,773	\$ 12,501,200	\$ 12,289,237	\$ 13,435,733	\$ 14,150,270	\$ 14,997,753	\$ 17,704,934
Highways	20,803,100	22,004,766	22,057,205	24,483,491	25,767,480	26,113,133	28,647,324	30,280,187	33,067,895	33,967,895
Sanitation and Waste Removal	3,028,809	3,287,857	3,450,138	3,569,748	3,770,786	3,783,819	4,110,110	4,189,091	4,696,580	4,578,308
Conservation of Health	3,265,346	3,324,461	3,364,355	3,683,729	4,016,225	4,214,077	4,399,582	4,673,023	4,759,614	5,037,809
Hospitals	2,753,708	2,806,125	2,918,451	3,208,225	3,343,925	3,530,932	3,782,897	3,934,546	4,207,186	4,473,702
Public Welfare	7,107,558	7,738,386	7,858,224	8,139,225	8,608,356	9,185,189	9,726,422	10,196,889	11,580,639	12,571,169
Correction	22,027,819	22,450,499	23,470,816	24,472,876	26,997,651	30,121,833	31,144,486	33,985,316	38,193,554	48,773,341
Schools	1,963,756	2,106,164	2,184,814	2,278,679	2,578,233	2,822,999	2,959,724	3,144,240	3,413,255	3,774,341
Libraries	31,363,509	32,027,730	33,965,430	37,832,750	40,743,782	43,469,829	44,930,799	48,895,085	50,704,655	56,160,031
Recreation	1,043,452	1,105,315	1,168,106	1,303,988	1,396,034	1,513,372	1,636,585	1,861,626	1,549,653	1,815,186
Total	5,419,246	5,890,062	5,824,208	6,132,717	6,933,718	7,374,374	7,737,479	8,233,463	8,701,575	9,357,861
Total Departmental Expenditures	108,170,972	112,340,950	116,634,732	125,893,231	136,757,390	144,418,794	152,511,141	163,242,736	174,810,066	198,179,254
Bond Redemptions	5,654,000	6,694,000	6,888,000	7,407,000	8,492,000	10,406,000	12,311,000	12,731,000	13,536,000	14,940,000
Bond Interest	1,613,812	1,594,498	1,669,775	1,835,093	2,297,474	2,914,307	3,161,155	3,119,016	2,949,593	3,057,794
Pensions and Compensation										
Contributions to Health Service System										
Contributions to Federal Social Security	13,527,239	13,761,938	15,325,584	17,142,220	16,167,712	16,084,201	17,687,793	17,490,749	13,680,996	14,479,019
Judgments and Losses	125,789	209,633	175,068	190,333	18,779	101,982	156,369	74,403	209,742	1,464,185
Support of Public Service Enterprises:										
Airports	1,465,459	1,890,856	795,774	1,323,029	.....	.....	.....	.....	.....	.....
Municipal Railway	.....	2,932,848	3,098,178	3,495,329	3,452,414	5,888,802	5,339,839	5,454,608	5,762,319	6,279,909
Public Utilities Commission:										
Light, Heat and Power Bureau	139,379	145,615	210,319	188,436	70	664	713	.....	.....	.....
Capital Additions From Revenues	5,777,715	5,237,613	5,500,062	5,494,473	5,829,651	8,618,422	6,352,217	7,201,345	8,057,768	9,279,430
Civilian Defense	201,273	186,730	185,934	230,611	176,758	123,500	109,506	92,852	97,220	165,659
Assessments, Other Civil Divisions	99,000	336,113	132,000	132,000	132,000	132,000	132,000	132,000	.....	.....
Miscellaneous, net	1,049,231*	820,044*	48,261*	952,541*	1,536,731	1,342,988	225,788	465,996	42,380	27,070
Total Expenditures	\$135,730,407	\$144,510,750	\$150,567,165	\$162,379,214	\$174,860,979	\$190,288,002	\$198,600,879	\$211,751,535	\$221,013,247	\$250,517,392

* Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)
Water Sales	\$12,139,574	\$12,683,906	\$13,048,334	\$13,262,961	\$13,699,044	\$14,875,439	\$15,646,088	\$15,656,772	\$16,413,844	\$15,658,453
Operating Expenses:										
Provision for Depreciation	1,077,970	1,178,805	1,190,549	1,130,856	1,160,692	1,173,932	1,416,187	1,410,685	1,484,352	1,514,736
Other Operating Expenses	7,315,650	8,109,677	8,119,086	8,359,446	8,652,230	9,771,630	10,052,058	10,186,508	10,635,052	11,524,011
	8,393,620	9,288,482	9,309,635	9,490,302	9,812,922	10,945,562	11,468,245	11,597,193	12,119,404	13,038,747
Profit from Operations	3,739,954	3,395,424	3,738,699	3,772,659	3,886,122	3,929,877	4,177,843	4,059,579	4,294,440	2,619,706
Other Income	923,093	578,909	379,623	408,528	775,729	482,643	1,294,136	1,702,070	1,021,573	913,235
	4,663,047	3,974,333	4,118,322	4,181,187	4,661,851	4,412,520	5,471,979	5,761,649	5,316,013	3,532,941
Other Expenses:										
Interest on Bonded Debt	914,115	875,664	838,325	782,031	724,963	665,210	604,654	544,525	484,484	423,757
Other	60,058	83,724	71,003	97,204	110,905	172,687	64,404	59,389	69,627	80,982
	974,173	959,388	909,328	879,235	835,868	837,897	669,058	604,114	554,111	504,739
Net Income	\$ 3,688,874	\$ 3,014,945	\$ 3,208,994	\$ 3,301,952	\$ 3,825,983	\$ 3,574,623	\$ 4,802,921	\$ 5,157,535	\$ 4,761,902	\$ 3,028,202

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)	1959 (a)	1960 (a)	1961 (a)	1962 (a)	1963 (a)
Power Sales	\$4,289,746	\$4,526,259	\$4,517,503	\$4,804,325	\$4,900,849	\$5,379,041	\$6,593,186	\$6,948,453	\$8,572,792	\$ 8,930,781
Standby Charge and Sale of Water to the S. F. Water Dept	3,545,590	4,030,000	4,030,000	4,030,000	4,030,000	4,500,000	4,500,000	4,500,000	4,600,000	5,000,000
	7,835,336	8,556,259	8,547,503	8,834,325	8,930,849	9,879,041	11,093,186	11,448,453	13,172,792	13,930,781
Operating Expenses:										
Provision for Depreciation	1,811,945	1,825,007	1,794,028	1,914,026	1,910,742	1,920,811	1,893,673	1,889,368	2,470,318	2,476,798
Other Operating Expenses	2,783,817	3,226,122	3,170,478	3,645,177	3,721,576	4,351,980	5,575,584	4,598,992	6,585,611	4,012,537
	4,595,762	5,051,129	4,964,506	5,559,203	5,632,318	6,272,791	7,469,257	6,488,360	9,055,929	6,489,335
Profit from Operations	3,239,574	3,505,160	3,582,997	3,275,122	3,298,531	3,606,250	3,623,929	4,960,093	4,116,863	7,441,446
Other Income	56,767	41,715	40,255	109,527	100,342	123,598	67,274	54,969	212,958	82,857
	3,296,341	3,546,875	3,623,252	3,384,649	3,398,873	3,729,848	3,691,203	5,015,062	4,329,821	7,524,303
Other Expenses:										
Interest on Bonded Debt	1,706,321	1,572,251	1,451,714	1,380,333	1,275,916	1,164,940	1,053,677	942,708	1,822,735	1,498,108
Other .....	.....	16,490	.....	.....	11,188	.....	.....	.....	.....	.....
	1,706,321	1,588,741	1,451,714	1,380,333	1,287,104	1,164,940	1,053,677	942,708	1,822,735	1,498,108
Net Income	\$1,590,020	\$1,958,134	\$2,171,538	\$2,004,316	\$2,111,769	\$2,564,908	\$2,637,526	\$4,072,354	\$2,507,086	\$ 6,026,195

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Revenues	\$22,137,625.17	\$21,087,543.29	\$20,456,021.15	\$20,242,262.43	\$19,842,117.52	\$19,818,276.67	\$19,941,385.68	\$19,825,869.89	\$19,899,907.13	\$19,891,544.58
Operating Expenses:										
Depreciation	1,814,263.97	1,732,383.04	1,399,251.37	1,041,798.34	1,056,028.47	1,074,052.21	1,068,122.41	1,041,337.81	1,042,646.77	1,030,412.07
Other Operating Expenses ..	20,867,915.18	20,285,921.91	20,859,117.37	20,931,375.55	21,732,587.20	22,381,559.32	23,434,834.52	24,735,997.70	24,896,125.56	25,524,583.05
	22,682,179.15	22,018,204.95	21,958,368.74	21,973,173.89	22,788,615.67	23,455,611.53	24,502,956.93	25,777,335.51	25,938,772.33	26,554,995.12
Profit from Operations	544,553.98*	930,361.66*	1,502,347.59*	1,730,911.46*	2,946,498.15*	3,637,334.86*	4,561,571.25*	5,951,465.62*	6,035,865.20*	6,663,450.54*
Other Income	24,498.31	56,617.87	92,562.84	95,299.57	172,092.29	78,942.16	82,299.12	80,877.30	64,794.84	64,869.30
	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*	2,774,405.86*	3,558,392.70*	4,479,272.13*	5,870,588.32*	5,974,070.36*	6,598,581.24*
Other Expenses:										
Interest on Bonded Debt ..	271,215.08	249,193.47	227,698.57	200,922.05	182,051.07	153,631.45	122,967.30	93,187.94	63,151.24	33,027.92
Other	91,202.15	29,340.93	17,711.64	93,358.55	73,649.11	79,324.38	110,237.34	16,054.22	44,206.17	175,976.28
	362,417.23	279,034.40	245,410.21	294,280.60	255,700.18	232,955.83	233,205.24	109,242.16	107,357.41	209,004.20
Net Income	\$ 882,472.90*	\$ 1,153,078.19*	\$ 1,655,194.96*	\$1,999,892.49*	\$3,030,106.04*	\$ 3,791,348.53*	\$ 4,712,477.37*	\$ 5,979,830.48*	\$ 6,081,427.77*	\$ 6,507,585.44*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1953-54 to 1962-63

FISCAL YEAR ENDED JUNE 30

	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Revenues:										
Landing Charges	\$ 422,577.78	\$ 444,124.65	\$ 480,489.69	\$ 524,316.77	\$ 782,302.59	\$ 969,365.05	\$ 1,177,792	\$ 1,241,962	\$ 1,433,118	\$ 1,607,636
Rentals	212,851.71	857,339.69	853,288.87	909,322.81	902,488.11	945,394.48	1,157,237	1,434,628	1,586,642	1,702,313
Other	528,949.11	1,028,036.66	1,251,440.88	1,497,332.18	1,735,589.77	1,991,388.36	2,693,659	2,870,412	3,162,215	3,442,318
	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76	3,420,380.47	3,906,137.89	5,034,668	5,547,002	6,181,975	6,752,267
Operating Expenses:										
Depreciation	718,388.20	730,499.68	1,029,908.17	1,034,350.22	1,037,458.19	938,835.86	1,094,635	1,210,920	1,352,548	1,432,903
Other Operating Expenses	703,119.80	1,152,997.86	1,401,178.89	1,576,111.88	1,617,240.98	1,691,736.56	1,866,731	2,152,703	2,223,422	2,426,155
	1,421,508.00	1,893,497.54	2,431,087.06	2,610,662.10	2,654,699.17	2,630,592.42	2,961,366	3,363,623	3,575,970	3,859,057
Profit from Operations:										
Other Income	257,129.40*	236,013.46	154,132.38	320,309.66	765,681.30	1,275,545.47	2,073,302	2,183,379	2,606,005	2,893,210
	59,991.74	102,878.40	114,360.28	153,133.22	162,694.66	214,606.60	44,377	10,710	66,391	92,380
	197,537.66*	338,888.92	268,692.66	473,442.88	928,375.96	1,490,152.07	2,117,679	2,194,089	2,672,396	2,985,590
Interest on Bonded Debt:										
Other Expenses	99,108.12	138,556.83	168,796.86	138,540.00	111,466.05	86,476.03	166,511	244,700	399,243	319,722
	185,139.94	89,037.72	89,173.95	57,895.23	(4,952.20)	471,532.98				
	284,248.06	227,624.60	257,970.81	196,436.23	106,513.85	558,009.01	166,511	244,700	399,243	319,722
Net Income	\$ 431,785.72*	\$ 111,264.32	\$ 10,721.85	\$ 277,006.00	\$ 821,862.11	\$ 932,143.06	\$ 1,951,168	\$ 1,949,389	\$ 2,273,153	\$ 2,665,868

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
FOR THE TEN YEAR PERIOD JULY 1, 1955 TO JUNE 30, 1965

	Increase or Decrease*			Balances June 30, 1965		
	Total	Land	Structures, Improvements	Total	Land	Structures, Improvements
GENERAL GOVERNMENT						
MILITARY	\$ 2,100,912.54	\$ 351,932.83*	\$ 1,116,562.93	\$ 11,935,515.25	\$ 1,881,021.80	\$ 5,291,000.95
Armory, Inc. City Hall						
Fire Department	266,965.01			22,821,998.50		
Police Department	20,000,000.00			1,071,089.10		
Department of Electricity	824,260.41			1,355,652.54		
HIGHWAYS						
Streets, tunnels, bridges, etc.	45,894,350.83			17,664,240.72		
Off Street Parking	4,517,159.61			5,387,590.54		
SANITATION						
Sanitary Sewer Disposal Plant	17,289,755.54			10,094,497.11		
Garbage Incinerator	4,961,021.79			5,370,430.19		
HEALTH DEPARTMENT						
Quarantine House	117,489.24			1,955,812.37		
Quarantine House Building	235,628.24			15,000.00		
Excelsior Health Center	112,500*			65,142.60		
Other	51,063.48*			1,890,879.10		
HOSPITALS						
San Francisco Hospital	7,865,678.20			127,073,855.42		
Emergency	151,640.54			1,955,812.37		
PUBLIC SAFETY						
Police Department	6,798,933.36			1,073,055.42		
San Francisco Police Department	3,051,232.76			1,955,812.37		
COBBLE						
City Hall	27,378.21			1,890,879.10		
City Hall	42,515.63			1,955,812.37		
City Hall	616,815.57			1,955,812.37		
City Hall	57,866,714.12			1,955,812.37		
LIBRARIES						
City Hall	2,097,898.48			1,955,812.37		
RECREATION						
City Hall	23,554,561.97			1,955,812.37		
City Hall	13,072,544.55			1,955,812.37		
City Hall	7,966,252.30			1,955,812.37		
City Hall	538,024.46			1,955,812.37		
OTHER						
Central Warehouse & Corp. Yard	1,424,564.01			1,955,812.37		
Central Warehouse	476,731.53			1,955,812.37		
Relinquished War Housing	400,650.70			1,955,812.37		
Total	\$309,009,288.61	\$22,009,655.12	\$165,036,825.82	\$18,912,337.67	\$22,009,655.12	\$165,036,825.82

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT ROLLS

Fiscal Years 1954-55 to 1963-64

	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Adverse Taxed @ Rate 10c per \$100	Total Roll
1954-55 Unsecured - City and County Assessor....			233,155,805	1,355,374	230,780,429	6.27	658,749,128
Secured - City and County Assessor.....	351,797,115	862,069,670	9,133,322	53,899,964	860,400,143	6.88	881,036,381
Secured - State Board of Equalization.....	16,750,480	72,376,320	49,673,340	.....	138,800,340	6.88	124,027,860
Total.....	\$568,547,795	\$634,445,990	\$291,972,467	\$55,955,340	\$1,238,980,912	\$725,432,856	\$1,964,413,768
1955-56 Unsecured - City and County Assessor....			235,577,529	2,253,342	233,324,187	6.55	715,254,484
Secured - City and County Assessor.....	353,584,456	862,012,505	9,090,454	54,527,321	890,459,774	7.02	7,315,594
Secured - State Board of Equalization.....	16,930,530	74,539,330	48,923,710	.....	140,413,570	7.02	55,554,590
Total.....	\$370,534,956	\$646,552,135	\$293,591,693	\$56,781,293	\$1,264,920,551	\$752,065,152	\$2,046,985,694
1956-57 Unsecured - City and County Assessor....			251,560,750	2,791,073	248,769,671	7.02	736,254,793
Secured - City and County Assessor.....	353,996,520	866,234,380	8,902,544	57,982,613	911,270,936	7.06	8,651,591
Secured - State Board of Equalization.....	18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,914,560
Total.....	\$372,008,900	\$663,537,560	\$310,628,929	\$58,685,692	\$1,303,520,897	\$685,860,444	\$2,165,381,841
1957-58 Unsecured - City and County Assessor....			268,114,805	2,552,157	265,562,648	7.04	838,214,671
Secured - City and County Assessor.....	356,155,515	866,471,487	9,075,295	59,422,566	929,475,634	7.37	9,241,935
Secured - State Board of Equalization.....	19,402,220	79,739,130	50,528,880	.....	150,625,050	7.37	79,402,360
Total.....	\$376,088,235	\$702,440,517	\$324,316,063	\$60,244,523	\$1,339,569,312	\$727,498,916	\$2,267,068,228
1958-59 Unsecured - City and County Assessor....			267,120,112	4,380,414	262,739,695	7.37	844,505,642
Secured - City and County Assessor.....	355,052,835	868,801,790	9,556,534	60,964,809	941,276,678	7.38	2,776,665
Secured - State Board of Equalization.....	19,745,310	89,209,890	51,934,810	.....	160,889,710	7.38	25,553,900
Total.....	\$574,795,145	\$727,811,560	\$327,590,986	\$68,844,723	\$1,364,406,063	\$73,616,115	1,935,622,201
1959-60 Unsecured - City and County Assessor....			268,546,158	4,138,451	264,407,707	7.55	804,767,007
Secured - City and County Assessor.....	356,472,855	871,137,545	9,220,784	78,993,158	945,487,567	8.00	8,451,908
Secured - State Board of Equalization.....	17,312,710	86,042,410	55,000,810	.....	158,455,930	8.00	35,000,440
Total.....	\$573,955,295	\$727,222,795	\$332,719,752	\$82,990,609	\$1,354,454,204	\$627,280,578	\$2,021,734,782
1960-61 Unsecured - City and County Assessor....			278,285,547	4,074,004	274,211,543	8.00	877,044,505
Secured - City and County Assessor.....	356,844,504	875,104,578	9,770,340	78,628,213	940,344,635	8.45	2,840,808
Secured - State Board of Equalization.....	15,804,520	87,225,910	57,288,930	.....	160,349,360	8.45	47,939,880
Total.....	\$572,949,029	\$800,435,485	\$340,904,727	\$82,472,098	1,415,467,440	\$81,645,382	2,066,114,821
1961-62 Unsecured - City and County Assessor....			284,326,604	2,840,044	281,486,560	8.45	845,103,945
Secured - City and County Assessor.....	361,467,450	881,581,028	9,662,030	81,005,847	1,024,654,355	8.51	2,244,210
Secured - State Board of Equalization.....	15,788,580	100,973,570	60,815,840	.....	177,778,410	8.51	47,498,020
Total.....	\$577,256,545	\$832,824,625	\$356,005,674	\$83,847,709	\$1,455,215,408	\$85,566,614	\$2,126,085,029
1962-63 Unsecured - City and County Assessor....			295,515,074	2,706,166	292,808,908	8.51	825,559,451
Secured - City and County Assessor.....	365,279,560	884,204,820	9,657,171	82,455,740	1,039,667,311	8.52	2,053,635,962
Secured - State Board of Equalization.....	15,650,810	100,932,950	61,766,220	.....	178,449,450	8.52	50,943,100
Total.....	\$580,320,870	\$865,137,775	\$364,138,465	\$85,149,506	\$1,500,624,299	\$86,510,732	\$2,117,875,031
1963-64 Unsecured - City and County Assessor....			308,014,384	2,575,355	305,439,029	8.52	858,045,026
Secured - City and County Assessor.....	369,398,960	890,360,640	11,456,716	85,787,773	1,077,612,660	8.52	2,077,612,660
Secured - State Board of Equalization.....	14,645,880	102,392,920	64,571,220	.....	181,609,920	8.52	45,774,650
Total.....	\$584,044,940	\$901,753,450	\$384,042,320	\$85,800,100	\$1,579,730,544	\$86,317,378	\$2,265,545,430

CITY AND COUNTY OF SAN FRANCISCO
 ADDITIONS TO PROPERTY - BY SOURCE OF FUNDS
 FOR THE 10 YEAR PERIOD JULY 1, 1955 TO JUNE 30, 1963

SOURCE OF FUNDS	Total	Land	Buildings, Structures, Improvements	Equipment
SOURCE OF FUNDS:				
General Fund	\$ 18,064,615.84	\$ 633,233.45	\$ 7,869,243.18	\$ 9,563,129.21
Recreation and Park	1,768,760.81	1,604,522.27	1,547,970.21	1,567,369.17
Mar Memorial	1,176,166.02	69,541.27	149,300.21	957,764.54
Legion of Honor	119,597.25		115,912.90	3,684.35
DeYoung Museum	195,376.08		187,901.56	7,474.52
Special Gas Tax Street Improvement	524,447.12		509,681.42	14,765.70
Road Fund	20,712,944.58	6,793,054.21	13,919,890.37	102,514.43
S.F. Unified School District	13,384,269.51	1,211,024.27	12,070,730.81	4,430,534.38
Chesnut Acqua. Bldg. Fund	8,087,552.39		4,074,661.44	
County School Service	73,412.20	5,750.00		78,162.27
County Public Service	13,082,664			13,082,664
Publicity & Advertising	13,300.00			13,300.00
Capital Improvement	1,529,211.59		1,529,211.59	
Light, Heat & Power	852,125.43		841,850.05	
Off Street Parking	179,188.82			
	\$ 168,039,829.35	\$ 19,188.82	\$ 42,616,377.90	\$ 15,344,796.59
CAPITAL FUNDS:				
Real Property - General City	\$ 927,680.41	\$ 798,053.65	\$ 129,626.76	\$
Real Property - S.F.U.S.D.	12,668.75	399,257.29	386,388.54	
1907 Boulevard Bonds	2,000.00	5,000.00		
1923 Sewers	2,824,072.10		22,462.80	
1924-28 Juvenile Court	80,474.85	124,793.96	80,043.38	87.39
1947 Street Improvement	8,525,750.44	37,483.97	8,488,216.97	431.47
1947 Recreation	6,917,316.13	301,809.30	6,456,179.97	49.50
1947 Off Street Parking	4,251,223.01		47,512.83	159,326.86
1948 Sewage Treatment	3,036,821.03	22,748.04	3,013,918.83	154.16
1948 School	25,552,997.94	35,043.90	24,443,280.73	1,074,673.21
1952 Firehouse	6,853,821.16		4,921,443.59	57.61
1954 Saguna Honda Home	5,247,289.82		5,158,392.30	340,706.36
1954 San Francisco Hospital	3,844,563.77	260,991.42	3,569,044.35	277,945.49
1954 Exhibit Hall	6,505,260.11		1,505,260.11	
1954 Recreation	3,355,727.91	5,000,000.00	2,824,075.53	47,193.73
1956 Hall of Justice	18,633,610.90	484,058.65	17,022,994.53	844,633.14
1956 Schools	23,599,860.03	765,983.23	22,307,257.95	793,524.26
1958 Recreation	1,478,502.82	499,077.82	1,478,502.82	
1959 Civic Center Fine Arts	3,703,789.32		3,728,789.32	
1960 deYoung Museum	208,000.00		208,000.00	
1960 Sowers	1,140,323.70		1,140,323.70	
1961 Fort Funston	1,070,580.00			
Relinquished War Housing	400,620.70			
	\$ 140,444,710.79	\$ 12,830,714.44	\$ 124,075,145.53	\$ 3,538,850.82
TRUST FUNDS:				
Kelly V. O'Connell	\$ 159.86	\$	\$ 159.86	
State Highway	502,235.78			
Retirement System	12,828.24	145.82	502,089.96	
Steinberg Bequest	908.70			12,828.24
Pranda Lux Foundation - School	8,658.35			908.70
State of California - Education - School	618,302.49			8,658.35
State County Park	10.00	10.00	618,205.49	4,585.67
Levi Strauss Foundation	3,500.00			
Sharp's Park Archery Range	210,729.75		3,500.00	
Walter S. Johnson	777.19		210,729.75	
Strybing Bequest	1,749.46		777.19	
Health Service	1,354,648.47			1,749.46
	\$ 1,354,648.47	\$ 155.82	\$ 1,335,302.39	\$ 29,190.26
TOTAL ADDITIONS				
	\$ 319,099,110.12	\$ 31,019,528.26	\$ 291,064,540.73	\$ 31,019,528.26

* Debits Decrease TOTAL ADDITIONS

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1954-55 to 1963-64

	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Solvent Credits Taxed @ 10¢ per \$100	Total Roll
1954-55 Unsecured - City and County Assessor.....	.....	.....	233,165,805	2,385,376	230,780,429	6.27	658,769,128
Secured - City and County Assessor.....	351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,636,238
Secured - State Board of Equalization.....	16,750,680	72,376,320	49,673,340	.....	138,800,340	6.85	55,227,520
Total.....	\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912	\$725,632,886	\$1,964,613,798
1955-56 Unsecured - City and County Assessor.....	.....	.....	235,577,529	2,253,342	233,324,187	6.85	715,284,484
Secured - City and County Assessor.....	353,884,456	582,012,805	9,000,434	54,527,921	890,459,774	7.02	7,918,999
Secured - State Board of Equalization.....	16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	58,884,660
Total.....	\$370,834,986	\$656,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531	\$782,088,163	\$2,046,285,694
1956-57 Unsecured - City and County Assessor.....	.....	.....	251,560,750	2,791,079	248,769,671	7.02	796,294,793
Secured - City and County Assessor.....	353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,651,591
Secured - State Board of Equalization.....	18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,914,560
Total.....	\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897	\$850,860,944	\$2,165,381,841
1957-58 Unsecured - City and County Assessor.....	.....	.....	263,114,805	3,562,157	259,552,648	7.06	838,652,023
Secured - City and County Assessor.....	356,155,315	622,670,687	10,275,298	59,422,666	929,678,634	7.37	9,241,983
Secured - State Board of Equalization.....	19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	79,602,310
Total.....	\$376,058,235	\$702,469,817	\$324,316,083	\$62,984,823	\$1,339,859,312	\$927,496,316	\$2,267,355,628
1958-59 Unsecured - City and County Assessor.....	.....	.....	267,120,112	4,380,414	262,739,698	7.37	544,305,649
Secured - City and County Assessor.....	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.55	2,776,669
Secured - State Board of Equalization.....	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.55	26,533,800
Total.....	\$374,798,145	\$727,511,680	\$327,940,984	\$65,344,723	\$1,364,906,083	\$73,616,118	\$1,938,522,201
1959-60 Unsecured - City and County Assessor.....	.....	.....	268,846,158	4,338,451	264,507,707	7.55	584,767,007
Secured - City and County Assessor.....	356,672,585	671,187,345	9,220,795	78,593,158	958,487,567	8.09	3,411,908
Secured - State Board of Equalization.....	17,312,710	96,042,410	55,103,810	.....	168,458,930	8.09	35,101,660
Total.....	\$373,985,295	\$767,229,755	\$333,170,763	\$82,931,609	\$1,391,454,204	\$623,280,575	\$2,014,734,779
1960-61 Unsecured - City and County Assessor.....	.....	.....	278,255,567	4,047,039	274,248,528	8.09	577,974,366
Secured - City and County Assessor.....	356,844,505	703,194,575	9,371,080	78,425,219	990,984,941	8.48	2,540,506
Secured - State Board of Equalization.....	15,804,520	97,283,910	57,238,590	.....	170,327,020	8.48	43,998,810
Total.....	\$372,649,025	\$800,478,485	\$344,905,237	\$82,472,258	\$1,435,560,489	\$64,513,682	\$2,060,074,171
1961-62 Unsecured - City and County Assessor.....	.....	.....	285,826,664	2,862,059	282,964,605	8.48	593,703,945
Secured - City and County Assessor.....	361,467,485	731,851,025	9,662,030	81,005,647	1,021,974,893	8.31	2,244,216
Secured - State Board of Equalization.....	15,788,860	100,973,570	60,516,980	.....	177,279,410	8.31	47,918,010
Total.....	\$377,256,345	\$832,824,595	\$356,005,674	\$83,867,706	\$1,482,218,908	\$63,866,171	\$2,126,085,079
1962-63 Unsecured - City and County Assessor.....	.....	.....	298,913,074	2,706,066	296,207,008	8.31	628,939,481
Secured - City and County Assessor.....	365,279,560	764,204,820	9,637,171	82,453,740	1,056,667,811	9.39	1,968,151
Secured - State Board of Equalization.....	15,050,310	100,932,950	61,766,220	.....	177,749,480	9.39	50,343,100
Total.....	\$380,329,870	\$865,137,770	\$370,316,465	\$85,159,806	\$1,530,624,299	\$681,250,732	\$2,211,875,031
1963-64 Unsecured - City and County Assessor.....	.....	.....	303,014,358	2,575,325	300,439,033	9.39	638,043,205
Secured - City and County Assessor.....	369,398,960	799,360,640	12,656,776	83,733,775	1,097,682,601	8.82	2,447,690
Secured - State Board of Equalization.....	14,645,880	102,392,810	64,571,220	.....	181,609,910	8.82	43,774,600
Total.....	\$384,044,840	\$901,753,450	\$380,242,354	\$86,309,100	\$1,579,731,544	\$681,817,895	\$2,261,549,439

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1954-55 to 1963-64

	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64
General Fund - Charter Limit \$1.65.....	1.026134	.976736	1.118449	1.243634	1.311502	1.342371	1.531469	1.235552	1.500078	1.161133
General Fund - Other Necessary Expenditures Not Limited	2.111081	2.202325	2.197722	2.202347	2.280775	2.508254	2.548892	2.932095	3.315633	2.913966
Unified School District.....	1.569888	1.754236	1.972106	2.043149	1.925645	2.006816	2.208749	2.162079	2.402535	2.566426
Recreation and Park .....	.308652	.342745	.386349	.380491	.446001	.440604	.537071	.530765	.541804	.469479
Library .....	.093976	.103168	.101886	.110176	.113349	.124220	.143518	.140442	.155509	.165724
Employees' Retirement .....	.865473	.858667	.942984	.993125	.959527	1.042061	.978457	.768904	.834029	.834734
Bond Interest and Redemption .....	.309244	.287207	.020527	.078257	.059917	.054911	.047361	.028633	.038034	.024391
de Young Museum .....	.023888	.025787	.031897	.024192	.027594	.035697	.024683	.031037	.034086	.033685
California Palace of the Legion of Honor .....	.018568	.017771	.018213	.018806	.018640	.021387	.021099	.019867	.022907	.022602
War Memorial .....	.018690	.018530	.021774	.022137	.022564	.029383	.018882	.017706	.020391	.021639
Publicity and Advertising .....	.021227	.020999	.020228	.019763	.019423	.021707	.020707	.....	.....	.....
Tax Judgments .....	.....	.002842	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers .....	.008877	.014446	.015999	.019054	.014711	.018300	.024485	.008141	.016679	.025169
Bay Area Air Pollution Control Dist....	.....	.....	.004128	.008536	.009394	.009397	.009426	.009189	.009224	.009173
Lighting Public Streets and Buildings..	.103809	.099317	.104257	.079450	.084835	.079969	.083566	.089482	.078185	.136227
Airport .....	.161256	.040926	.004129	.....	.....	.....	.....	.....	.....	.....
Municipal Railway .....	.206237	.254298	.099352	.126883	.339123	.315923	.254635	.316108	.416906	.351652
Total	6.85	7.02	7.06	7.37	7.533	8.051	8.463	8.29	9.386000	8.736000

S. F. Bay Area Rapid
Transit District

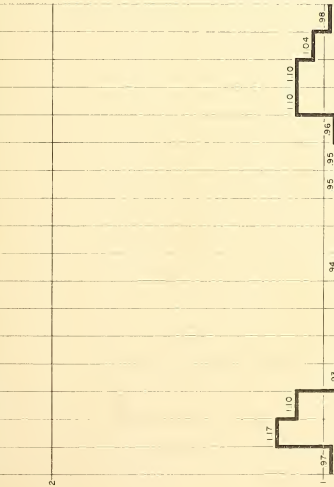
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CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

%	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
2																	



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1935-36 to 1962-63

Fiscal Year	Amount of Levy	Uncollected at June 30, 1963	Uncollected at June 30, 1963 %
1935-36	\$ 30,654,562	612,784	2.00
1936-37	30,986,643	449,704	1.45
1937-38	31,994,075	483,081	1.50
1938-39	33,337,812	442,132	1.32
1939-40	32,575,922	390,407	1.19
1940-41	35,162,785	367,339	1.04
1941-42	36,469,225	354,994	.97
1942-43	37,469,083	288,158	.76
1943-44	36,797,771	294,508	.69
1944-45	39,647,406	262,652	.66
1945-46	41,184,389	380,975	.93
1946-47	47,374,328	457,779	.97
1947-48	51,718,354	602,680	1.17
1948-49	60,779,270	669,631	1.10
1949-50	60,858,563	567,617	.93
1950-51	66,822,057	537,393	.81
1951-52	70,596,215	561,703	.80
1952-53	69,947,162	539,325	.77
1953-54	76,082,542	716,632	.94
1954-55	84,509,028	724,612	.86
1955-56	89,391,123	799,165	.89
1956-57	93,280,375	882,671	.95
1957-58	99,165,664	942,150	.95
1958-59	103,591,182	992,948	.96
1959-60	111,875,051	1,232,046	1.10
1960-61	121,671,012	1,333,620	1.10
1961-62	124,811,125	1,294,666	1.04
1962-63	141,781,663	1,387,550	.98

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1963-64

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE PER \$100</u>
Taxes on property assessed by City & County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$1,168,759,600	\$	
Tangible Personal Property	12,656,776		
Less Veterans' and Welfare Exemptions	<u>83,733,775</u>		
	\$1,097,682,601	\$ 96,814,285.34	8.82
Solvent Credits	<u>-0-</u>		
Total	<u>\$1,097,682,601</u>	<u>\$ 96,814,285.34</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	\$ 51,250,757		
Less Veterans' and Welfare Exemptions	<u>2,239,697</u>		
	\$ 49,011,060	\$ 4,602,222.06	9.39
Solvent Credits	<u>137,078,560</u>	<u>137,079.77</u>	.10
Total	<u>\$ 186,089,620</u>	<u>\$ 4,739,301.83</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	\$ 251,763,601		
Less Veterans' and Welfare Exemptions	<u>335,628</u>		
	\$ 251,427,973	\$ 23,609,125.84	9.39
Solvent Credits	<u>500,964,645</u>	<u>500,966.37</u>	.10
Total	<u>\$ 752,392,618</u>	<u>\$ 24,110,092.21</u>	
Total Assessed by City and County Assessor	<u>\$2,036,164,839</u>	<u>\$125,663,679.38</u>	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	\$ 117,038,690		
Tangible Personal Property	<u>64,571,220</u>	\$ 16,017,993.78	8.82
Solvent Credits	<u>\$ 43,774,690</u>	<u>\$ 43,774.69</u>	.10
Total Assessed by State Board of Equalization	<u>\$ 225,384,600</u>	<u>\$ 16,061,768.47</u>	
Total of above Assessments	<u>\$2,261,549,439</u>		
Total Tax Yield		<u>\$141,725,447.85</u>	

STATEMENT OF BONDING CAPACITY OF SAN FRANCISCO

AS AT JUNE 30, 1963

(Excluding Bonding Capacity of the S. F. Unified School District) (1)

Maximum Limit:

12% of the 1963-64 Assessment Roll (\$2,261,549,439) \$271,385,933

Bonded Debt Unmatured June 30, 1963:

Total	\$ 249,000,000	
Exempt from 12% Limit (2)	<u>57,226,000</u>	191,774,000

<u>Limit of Future Bond Sales (Subject to 12% Limit)</u>	<u>\$ 79,611,933</u>
--	----------------------

Unissued Bonds June 30, 1963:

	<u>Subject to 12% Limit</u>	<u>Exempt from 12% Limit</u>	<u>Total</u>
1954 Sewers	\$ 355,000	\$	
1955 Playgrounds & Recreation Centers	1,100,000		
1955 Hetch Hetchy	4,000,000		
1956 Hall of Justice	1,075,000		
1956 Schools	2,075,000		
1959 Civic Center Auditorium	225,000		
1959 Palace of Fine Arts	1,800,000		
1960 Sewers	7,600,000		
1961 Municipal Water System		85,700,000	
	<u>\$18,230,000</u>	<u>\$85,700,000</u>	<u>\$103,930,000</u>

- (1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a City and County.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college districts.

The Education Code of the State of California, Section 21802, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items herein designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

- (2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
- (a) For water supply, storage or distribution purposes.
 - (b) For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (none issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS

BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1963

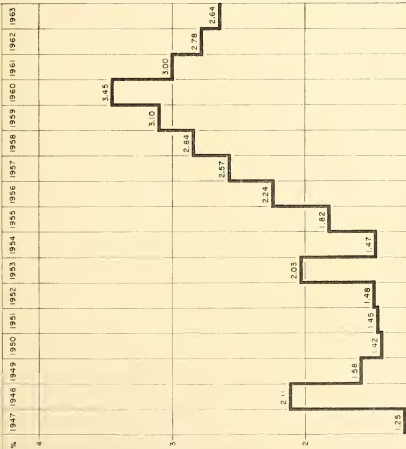
Fiscal Year	Grand Total	General City, Including S. F. Unified School District				Public Service Enterprises			
		Total	Bond Redemption	Bond Interest	Total	Total	Bond Redemption	Bond Interest	Total
1963-64	\$ 34,057,775	\$ 17,889,491	\$ 15,037,000	\$ 2,852,491	\$ 16,168,284	\$ 16,168,284	\$ 12,136,000	\$ 4,032,284	\$ 16,168,284
1964-65	32,057,312	17,146,260	14,652,000	2,494,260	14,911,062	14,911,062	11,296,000	3,615,062	14,911,062
1965-66	29,300,324	16,688,485	14,516,000	2,172,485	12,611,839	12,611,839	9,365,000	3,246,839	12,611,839
1966-67	24,450,687	12,801,681	10,950,000	1,851,681	11,649,006	11,649,006	8,715,000	2,934,006	11,649,006
1967-68	24,838,187	12,215,088	10,635,000	1,580,088	12,623,099	12,623,099	9,980,000	2,643,099	12,623,099
1968-69	22,457,022	10,714,312	9,388,000	1,329,312	11,742,710	11,742,710	9,390,000	2,352,710	11,742,710
1969-70	20,877,640	9,776,650	8,685,000	1,091,650	11,100,990	11,100,990	8,930,000	2,070,990	11,100,990
1970-71	19,655,495	8,922,975	8,060,000	862,975	10,732,520	10,732,520	8,930,000	1,802,520	10,732,520
1971-72	16,781,000	7,577,050	6,935,000	642,050	9,203,950	9,203,950	7,645,000	1,558,950	9,203,950
1972-73	14,473,638	6,469,900	6,025,000	444,900	8,003,738	8,003,738	6,665,000	1,338,738	8,003,738
1973-74	11,883,650	4,593,213	4,310,000	283,213	7,290,437	7,290,437	6,145,000	1,145,437	7,290,437
1974-75	9,801,432	2,694,119	2,515,000	179,119	7,107,313	7,107,313	6,145,000	962,313	7,107,313
1975-76	8,303,181	2,114,619	2,010,000	104,619	6,788,562	6,788,562	6,010,000	778,562	6,788,562
1976-77	8,243,394	1,636,556	1,585,000	51,556	6,506,838	6,506,838	6,010,000	496,838	6,506,838
1977-78	5,880,174	303,112	295,000	8,112	5,577,062	5,577,062	5,160,000	417,062	5,577,062
1978-79	3,109,238				3,109,238	3,109,238	2,830,000	279,238	3,109,238
1979-80	2,815,887				2,815,887	2,815,887	2,620,000	195,887	2,815,887
1980-81	2,526,588				2,526,588	2,526,588	2,395,000	131,588	2,526,588
1981-82	1,726,725				1,726,725	1,726,725	1,645,000	81,725	1,726,725
1982-83	1,330,612				1,330,612	1,330,612	1,295,000	35,612	1,330,612
	\$295,169,961	\$131,543,501	\$115,595,000	\$15,948,501	\$163,626,460	\$163,626,460	\$133,405,000	\$30,221,460	\$163,626,460

Unsold Bonds at June 30, 1963 in the amount of \$103,930,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS SOLD DURING FISCAL YEARS ENDING

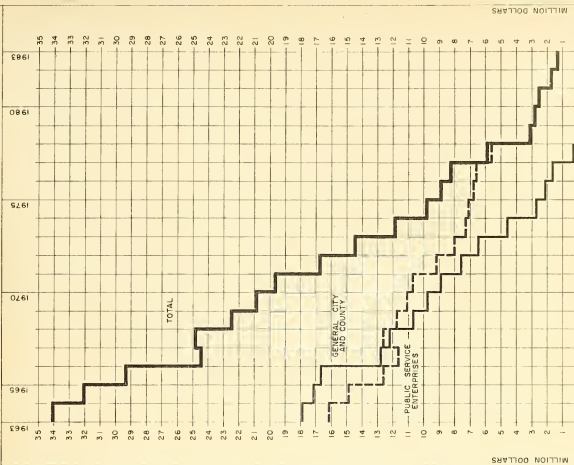


H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1954-55 to 1963-64

SOURCE OF REVENUES:	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
General City Issues:										
Taxes.....	\$ 3,544,397	\$ 3,682,287	\$ 931,400	\$ 898,700	\$ 866,000	\$ 777,300	\$ 700,600	\$ 477,400	\$ 554,316	\$ 426,300
Capital Improvement Fund	4,912,189	5,086,962	8,396,295	9,633,261	12,703,938	14,839,836	15,306,874	16,008,499	17,500,000	17,127,203
Surplus .....	.....	.....	.....	.....	.....	296,000	400,000	350,000	320,000	524,026
	\$ 8,456,586	\$ 8,739,249	\$ 9,327,695	\$10,531,961	\$13,569,938	\$15,913,136	\$16,407,474	\$16,835,899	\$18,374,316	\$18,077,529
Public Service Enterprises:										
Utility Earnings:										
Water and Hetch Hetchy Project...	7,759,991	7,585,914	7,353,779	7,695,786	8,433,830	8,640,045	8,728,372	9,894,723	11,223,279	11,954,959
Municipal Railway.....	.....	.....	.....	.....	.....	774,554	.....	.....	.....	.....
Airport	433,830	1,502,010	1,196,939	1,946,788	2,311,853	2,316,684	1,719,208	2,856,470	3,070,956	3,486,266
Capital Improvement Fund (via Utility	.....	.....	2,992,167	1,826,756	1,932,160	894,204	1,638,978	1,252,559	.....	722,797
Taxes (via Utility)	3,753,012	2,634,376	145,442	.....	.....	.....	.....	357,498	1,579,950	393,998
	\$11,946,833	\$11,722,300	\$11,688,327	\$11,469,330	\$12,677,843	\$12,625,487	\$12,086,558	\$14,361,250	\$15,874,185	\$16,558,020
Total Budgeted Requirements.....	\$20,403,419	\$20,461,549	\$21,016,022	\$22,001,291	\$26,247,781	\$28,538,623	\$28,494,032	\$31,197,149	\$34,248,501	\$34,635,549

Office of the Controller



REPORT ON EXAMINATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 1963

JOHN F. FORBES & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES AND
CORRESPONDENTS
IN PRINCIPAL CITIES

CROCKER BUILDING
SAN FRANCISCO 4
TELEPHONE YUKON 2-617

October 21, 1963.

The Honorable Board of Supervisors,
City and County of San Francisco,
San Francisco, California.

Dear Sirs:

Pursuant to your Resolution No. 52-63 adopted January 21, 1963, we have made an examination, to the extent indicated below, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1963. We present the following exhibits:

Exhibit

- A - Combined General City and County Funds
Balance Sheet (Exclusive of Public
Service Enterprises), June 30, 1963.
- B - Public Service Enterprises - Proprietary
Balance Sheet, June 30, 1963.
- C - Statement of Revenues and Expenditures
for the Years Ended June 30, 1963 and 1962.
- D - Statement of Unappropriated Balance of
Current Funds for the Year Ended June 30, 1963.
- E - Statement of Income and Surplus - Public Service
Enterprises, for the Year Ended June 30, 1963.
- F - Individual Fund Balance Sheets - Current Funds,
June 30, 1963.
- G - Individual Fund Balance Sheets - Capital Funds,
June 30, 1963.
- H - Individual Fund Balance Sheets - Trust and
Assessment Funds, June 30, 1963.

Exhibit

- I - Individual Fund Balance Sheets - Public Service Enterprises, June 30, 1963.
- J - Summary of Properties (Exclusive of Public Service Enterprises), June 30, 1963.
- K - Bonded Indebtedness, June 30, 1963.

Notes to Financial Statements, June 30, 1963.

Our examination, which was limited to the records maintained in the Office of the Controller, was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The proprietary accounts of the Public Service Enterprises (except the Public Utilities Commission) and the San Francisco Unified School District were examined by other independent certified public accountants. The report on the examination of the Employees' Retirement System by other independent certified public accountants has not been issued to date; however, certain data with respect to the System is included in the accompanying statements. The cash, securities and accounts of the Treasurer's Office were examined by the Controller's General Audit Division.

In our opinion, based on the examinations described above, the accompanying statements, together with the notes thereto, present fairly the financial position of the City and County of San Francisco and the San Francisco Unified School District at June 30, 1963, and the results of operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours truly,

John F. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED GENERAL CITY AND COUNTY FUNDS BALANCE SHEET
(EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES), JUNE 30, 1963

A S S E T S

	TOTAL	CURRENT	CAPITAL	TRUST AND ASSESSMENT
PLANT, PROPERTY AND EQUIPMENT (Exhibit J) (Note 1).....	\$ 551,030,182		\$551,030,182	
CASH:				
On deposit with Treasurer.....	\$ 107,911,649	\$ 66,638,477	\$ 19,518,835	\$ 21,754,337
Revolving funds.....	71,329	71,329		
Total cash.....	\$ 107,982,978	\$ 66,709,806	\$ 19,518,835	\$ 21,754,337
ACCOUNTS RECEIVABLE:				
Taxes receivable, current year.....	\$ 1,387,550	\$ 1,387,550		
Taxes receivable, prior years.....	3,005,812	3,005,812		
Penalties, costs, and interest.....	389,334	389,334		
Franchise taxes.....	391,390	391,390		
Federal and state subventions.....	3,715,193	3,715,193		
Other accounts receivable.....	12,837,231	9,875,622		\$ 2,961,609
Total accounts receivable.....	\$ 21,726,510	\$ 18,769,901		\$ 2,961,609
Less reserves:				
Unsecured delinquent taxes and penalties.....	\$ 3,247,567	\$ 3,247,567		
Franchise taxes.....	132,409	132,409		
Other accounts receivable.....	3,485,046	3,485,046		
Total reserves.....	\$ 6,865,022	\$ 6,865,022		
Accounts receivable, net.....	\$ 14,861,488	\$ 11,899,879		\$ 2,961,609
UNPAID BONDS.....	\$ 14,230,000		\$ 14,230,000	
INTERFUND ACCOUNTS RECEIVABLE:				
Due from General City and County (contra).....	\$ 44,978,607	\$ 39,853,133	\$ 1,457,693	\$ 3,667,781
Due from Public Service Enterprises.....	982,253	87,986		894,267
Total interfund accounts receivable..	\$ 45,960,860	\$ 39,941,119	\$ 1,457,693	\$ 4,562,048
INVESTMENTS.....	\$ 300,232,595			\$300,232,595
LEASE DEPOSITS AND GUARANTEES.....	\$ 128,975			\$ 128,975
DEFERRED CHARGES:				
Materials and supplies.....	\$ 1,030,703	\$ 1,030,703		
Amounts to be provided for payment of bond principal..	115,595,000		\$115,595,000	
Other deferred charges.....	55,864			\$ 55,864
Total deferred charges.....	\$ 116,681,567	\$ 1,030,703	\$115,595,000	\$ 55,864
TOTAL.....	\$1,151,108,645	\$119,581,507	\$701,831,710	\$329,695,428

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED GENERAL CITY AND COUNTY FUNDS BALANCE SHEET, ETC.

L I A B I L I T I E S				TRUST AND ASSESSMENT
	TOTAL	CURRENT	CAPITAL	
BONDED DEBT:				
Maturing within one year.....	\$ 15,037,000		\$ 15,037,000	
Maturing subsequent to June 30, 1964.....	100,558,000		100,558,000	
Total bonded debt (Exhibit K).....	\$ 115,595,000		\$ 115,595,000	
ACCOUNTS PAYABLE AND COMMITMENTS:				
Accounts payable.....	\$ 9,692,469	\$ 8,382,751	\$ 123,389	\$ 1,186,329
Outstanding warrants and payroll deductions.....	10,352,106	1,858,488	35,199	8,458,419
Encumbrances.....	13,740,543	7,299,576	6,063,785	377,182
Total accounts payable and commitments.....	\$ 33,785,118	\$ 17,540,815	\$ 6,222,373	\$ 10,021,930
INTERFUND ACCOUNTS PAYABLE:				
Due to General City and County (contra).....	\$ 44,978,607	\$ 39,715,721	\$ 4,553,882	\$ 709,004
Due to Public Service Enterprises.....	\$ 253,737	42,123	200,000	11,614
Total interfund accounts payable.....	\$ 45,232,344	\$ 39,757,844	\$ 4,753,882	\$ 720,618
DEFERRED CREDITS:				
Personal property taxes collected for year 1963-64.....	\$ 3,371,655	\$ 3,371,655		
Subventions received in advance.....	2,142,910	2,142,910		
Unencumbered interdepartmental work order authorizations.....	1,772,592	1,772,592		
Other deferred credits.....	587,816	404,403		\$ 183,413
Total deferred credits.....	\$ 7,874,973	\$ 7,691,560		\$ 183,413
RESERVES:				
Reserve for materials and supplies.....	\$ 1,030,704	\$ 1,030,704		
Reserve for interdepartmental overhead.....	849,414	849,414		
Other reserves.....	712,551	518,329		\$ 194,222
Total reserves.....	\$ 2,592,669	\$ 2,398,447		\$ 194,222
UNENCUMBERED APPROPRIATIONS.....	\$ 46,043,909	\$ 25,200,020	\$ 20,843,889	
INVESTMENT IN PLANT, PROPERTY AND EQUIPMENT.....	\$ 551,030,182		\$ 551,030,182	
TRUST AND ASSESSMENT FUND BALANCES.....	\$ 318,575,245			\$ 318,575,245
UNAPPROPRIATED BALANCE OF FUNDS.....	\$ 30,379,205	\$ 26,992,821	\$ 3,386,384	
TOTAL.....	\$ 1,151,108,645	\$ 119,581,507	\$ 701,831,710	\$ 329,695,428

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1963

	A S S E T S					
	TOTAL	COMMISSION	MUNICIPAL RAILWAY OF SAN FRANCISCO	SAN WATER DEPARTMENT	HETCH HETCH PROJECT	SAN FRANCISCO INTERNATIONAL AIRPORT
FIXED CAPITAL (Note 1):						
Properties.....	\$386,358,468	\$20,415	\$31,761,777	\$119,930,504	\$168,718,538	\$65,927,234
Less accumulated depreciation.....	128,458,507		21,706,353	41,776,556	49,842,099	15,133,499
Depreciated value.....	\$257,899,961	\$20,415	\$10,055,424	\$78,153,948	\$118,876,439	\$50,793,735
Construction in progress.....	30,140,272		3,990	4,254,310	12,077,822	13,804,150
Total fixed capital.....	\$288,040,233	\$20,415	\$10,059,414	\$82,408,258	\$130,954,261	\$64,597,885
CASH:						
On deposit with Treasurer.....	\$76,938,291	\$19,167	\$3,086,712	\$21,256,668	\$32,883,208	\$19,692,536
Revolving and change funds.....	307,500	1,000	270,000	30,000	4,000	2,500
Total cash.....	\$77,245,791	\$20,167	\$3,356,712	\$21,286,668	\$32,887,208	\$19,695,036
ACCOUNTS RECEIVABLE:						
Revenues accrued and other receivables.....	\$3,010,584	\$	\$262,295	\$1,425,245	\$649,531	\$673,513
Less allowance for doubtful receivables.....	122,694			59,701		62,993
Accounts receivable, net.....	\$2,887,890	\$	\$262,295	\$1,365,544	\$649,531	\$610,520
FEDERAL AID FOR PUBLIC IMPROVEMENTS:						
Federal grants receivable subject to approval.....	\$1,477,593					\$1,477,593
Less reserve for unapproved grants.....	1,477,593					1,477,593
INTERFUND ACCOUNTS RECEIVABLE:						
Due from General City and County.....	\$746,448	\$48	\$51,060	\$3,210	\$692,025	\$105
Due from Public Service Enterprises (contra)	311,056	2,559	807	4,125	300,929	2,636
Total interfund accounts receivable.....	\$1,057,504	\$2,607	\$51,867	\$7,335	\$992,954	\$2,741
DEFERRED CHARGES:						
Materials and supplies.....	\$1,168,558	\$	\$527,551	\$577,646	\$43,117	\$20,244
Uncompleted contracts, purchase orders and other commitments (contra).....	35,816,215		270,000	12,476,354	12,208,791	10,861,070
Prepaid rental of leased equipment.....	1,402,436		1,402,436			
Other.....	582,616	\$3,768	61,584	283,150	202,609	31,505
Total deferred charges.....	\$38,969,825	\$3,768	\$2,261,571	\$13,337,150	\$12,454,517	\$10,912,819
TOTAL.....	\$408,201,243	\$46,957	\$15,991,859	\$118,404,955	\$177,938,471	\$95,819,001

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET, JUNE 30, 1963

L I A B I L I T I E S	TOTAL	PUBLIC UTILITIES		MUNICIPAL RAILWAY OF SAN FRANCISCO		SAN FRANCISCO WATER DEPARTMENT		HETCH HETCHY PROJECT		SAN FRANCISCO INTERNATIONAL AIRPORT	
		COMMISSION	FRANCISCO	FRANCISCO	WATER	DEPARTMENT	PROJECT	PROJECT	INTERNATIONAL	FRANCISCO	AIRPORT
BONDED DEBT:											
Maturing within one year.....	\$ 12,031,000			\$ 1,102,000		\$ 2,231,288		\$ 6,070,712		\$ 2,627,000	
Maturing subsequent to June 30, 1964.....	121,374,000			142,000		22,358,904		70,875,096		29,998,000	
Total.....	\$133,405,000			\$ 1,244,000		\$ 22,590,192		\$ 76,945,808		\$32,625,000	
Matured bonds not presented for payment.....	70,200			200		11,000		59,000			
Total bonded debt.....	\$133,475,200			\$ 1,244,200		\$ 22,601,192		\$ 77,004,808		\$32,625,000	
BOND INTEREST:											
Accrued but not due.....	\$ 1,315,451			\$ 8,157		\$ 180,000		\$ 851,099		\$ 276,195	
Matured coupons not presented for payment.....	71,339			660		8,033		28,744		33,902	
Total bond interest.....	\$ 1,386,790			\$ 8,817		\$ 188,033		\$ 879,843		\$ 310,097	
ACCOUNTS PAYABLE AND COMMITMENTS:											
Accounts payable.....	\$ 3,311,698	\$ 1,903		\$ 374,797		\$ 479,371		\$ 1,175,115		\$ 1,280,512	
Outstanding warrants and payroll deductions.	3,569,566	11,800		1,222,864		882,989		785,661		666,252	
Uncompleted contracts, purchase orders											
and other commitments (contra).....	35,816,215			270,000		12,476,354		12,208,791		10,861,070	
Deposits and construction advances.....	566,616					562,666		3,950			
Total accounts payable and commitments.....	\$ 43,264,095	\$13,703		\$ 1,867,661		\$ 14,401,380		\$ 14,173,517		\$12,807,834	
INTERFUND ACCOUNTS PAYABLE:											
Due to General City and County.....	\$ 357,057	\$ 5,148		\$ 194,490		\$ 85,966		\$ 36,905		\$ 34,548	
Due to Public Service Enterprises (contra).....	311,056	5,326		16,430		171,158		1,684		116,458	
Total interfund accounts payable.....	\$ 668,113	\$10,474		\$ 210,920		\$ 257,124		\$ 38,589		\$ 151,006	
DEFERRED CREDITS:											
RESERVES:											
Reserve for accident claims.....	\$ 3,549,195			\$ 3,549,195							
Other reserves.....	735,495			500,388		220,107		15,000			
Total reserves.....	\$ 4,284,690			\$ 4,049,583		\$ 220,107		\$ 15,000			
SURPLUS (Exhibit E).....	\$224,752,684	\$21,415		\$ 8,586,262		\$ 80,734,597		\$ 85,811,714		\$49,598,696	
TOTAL.....	\$408,201,243	\$46,957		\$15,991,859		\$118,404,955		\$177,938,471		\$95,819,001	

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES AND EXPENDITURES
 FOR THE YEARS ENDED JUNE 30, 1963 AND 1962

....YEAR ENDED JUNE 30....
 1963 1962

REVENUES:

Property taxes, penalties, interest and costs.....	\$141,557,944	\$124,249,582
State and Federal subventions.....	68,332,085	59,213,062
Retail and purchase use tax.....	17,670,374	17,382,184
Departmental service charges, etc...	17,757,576	14,640,314
Fines, forfeitures and penalties other than from property taxes....	3,758,370	3,438,471
Bank interest.....	4,032,393	3,196,600
Licenses.....	1,023,891	1,011,125
Hotel room tax.....	1,224,615	1,144,029
Rentals from the use of property....	495,029	467,728
Franchise taxes.....	481,714	473,908
Housing Authority in lieu of taxes..	251,753	211,741
Redevelopment Agency in lieu of taxes.....	51,269	5,363
Revenue from other sources.....	132,274	160,993
Total revenues.....	<u>\$256,769,287</u>	<u>\$225,595,100</u>

EXPENDITURES:

Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government.....	\$ 17,704,934	\$ 14,997,753
Public safety.....	33,967,895	32,005,602
Highways.....	4,578,308	4,696,580
Sanitation.....	5,037,809	4,759,614
Health conservation.....	4,473,702	4,207,186
Hospitals.....	12,571,169	11,580,639
Public welfare.....	48,738,018	38,193,554
Corrections.....	<u>3,774,341</u>	<u>3,413,255</u>
Forward.....	\$130,846,176	\$113,854,183

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, ETC.

	....YEAR ENDED JUNE 30....	
	1963	1962
TOTAL REVENUES (Forward).....	\$256,769,287	\$225,595,100
EXPENDITURES (Continued):		
Departmental operating expenses		
(Forward).....	\$130,846,176	\$113,854,183
Schools.....	56,160,031	50,704,655
Libraries.....	1,815,186	1,549,653
Recreation.....	9,357,861	8,701,575
Civil Defense.....	165,659	97,220
Miscellaneous.....	307,158	252,122
Total departmental		
operating expenses.....	\$198,652,071	\$175,159,408
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenue..	9,279,430	8,057,768
Bond redemption.....	14,940,000	13,536,000
Pension costs, Employees'		
Retirement System.....	14,292,788	13,680,996
Contributions to Municipal		
Railway.....	6,279,909	5,762,319
Bond interest.....	3,057,794	2,949,593
Contribution to Federal		
Social Security.....	1,352,284	1,139,443
Contribution to Health Service		
System.....	1,479,019	727,720
Settlement of Pacific Telephone		
& Telegraph Company claim of		
prior years.....	1,184,097	
Total expenditures.....	\$250,517,392	\$221,013,247
EXCESS OF REVENUES OVER EXPENDITURES..	\$ 6,251,895	\$ 4,581,853

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF UNAPPROPRIATED BALANCE OF CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 1963

UNAPPROPRIATED BALANCE OF FUNDS,

JUNE 30, 1962:

Available.....	\$10,242,945	
Cash reserve.....	<u>12,129,050</u>	\$22,371,995

ADD:

Excess of revenues over expenditures (Exhibit C).....		6,251,895
Decrease in encumbrances.....		2,356,705
Reserves transferred to unappropriated balance of funds.....		<u>90,489</u>
Total.....		\$31,071,084

DEDUCT:

Increase in unencumbered balance of appropriations.....	\$ 3,779,309	
Transfer of appropriations to capital funds.....	237,452	
Decrease in interfund budgetary balances.....	57,192	
Miscellaneous.....	<u>4,310</u>	<u>4,078,263</u>

UNAPPROPRIATED BALANCE OF FUNDS,

JUNE 30, 1963:

Available.....	\$11,513,596	
Cash reserve.....	14,120,809	
Restricted for supplemental appropriations.....	<u>1,358,416</u>	<u>\$26,992,821</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS -
CURRENT FUNDS, JUNE 30, 1963

CASH	ACCOUNTS RECEIVABLE	INTERFUND ACCOUNTS RECEIVABLE	DEFERRED CHARGES	TOTAL
\$17,217,126	\$ 6,758,371	\$20,505,346	\$ 134,942	\$ 44,615,785
4,990,624	15,404	44,100	9,630	5,059,758
462,233	28,971	384		491,588
103,710		71		103,781
62,928		108		63,036
117,266		207		117,473
84,625		93,000		177,625
57,629				57,629
5,809,744	249,321	456,535		6,515,600
9,606,869	1,766,754	27,212	817,142	12,217,977
454,131	70,283	14,059	68,989	607,462
202,483	24,826	10,548		237,857
10,902,520	992,432	303,301		12,198,253
221,532	426,518			426,518
4,457,509	231,594	3,940,378		4,393,504
1,496,314	3,015,002	14,534,347		22,006,858
29,098		1,335		1,497,649
421,791	4,381,399			29,098
(167,930)	271,298			4,803,190
(171,332)				271,298
(103,236)				(167,930)
688,831	200,000			(171,332)
				(103,236)
3,887,623				888,831
	3,140			3,887,623
1,808,841				3,140
652,607	29,588	3,285		1,808,841
363	300,000	5,771		685,480
784		1,132		306,134
43,285				1,916
3,371,655				43,285
183				3,371,655
				183
\$66,709,806	\$18,764,901	\$39,941,119	\$1,030,703	\$126,446,529

EXHIBIT F

	TOTAL	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	DEFERRED CREDITS	RESERVES	UNENUMBERED APPROPRIATIONS	UNAPPROPRIATED
General Fund.....	\$ 44,615,785	\$ 9,881,832	\$15,162,638	\$2,056,155	\$4,330,147	\$ 6,119,749	\$ 7,065,264
Recreation and Park.....	5,059,758	367,375	2,255,442	60,565	29,885	2,259,353	87,138
Library.....	491,588	178,830	218,100	95	30,971	63,592	
War Memorial.....	103,781	25,874	57,350	3,086		17,471	
California Palace of the Legion of Honor.....	63,036	14,723	38,999		1,000	8,314	
Young Museum.....	117,473	48,513	46,572		1,000	21,388	
Publicity and Advertising.....	177,625	158,400	15,396			3,829	
Special Election.....	57,629					50,000	7,629
San Francisco Unified School District.....	6,515,600	586,744	1,466,371			3,596,249	866,236
School Cafeteria.....	12,217,977	4,650,632	2,259,202	12,842	1,786,890	614,031	2,894,380
Child Care Centers.....	607,462	58,685	36,041		71,989	5,000	435,747
Special Gas Tax Street Improvement Employees' Retirement - Current.....	237,857	96,134	40,093		3,326	5,000	93,304
Land Interest and Redemption.....	12,198,253	191,135	1,580,527			9,204,918	1,221,673
Cash Reserve.....	426,518		148,040		278,478		177,981
Emergency Reserve.....	4,393,504	66,631	3,500,000		648,892		14,120,809
Shareholders Widening.....	22,006,858		5,837,356		2,048,693		
Capital Improvement.....	1,497,649					1,497,649	
Alcoholic Beverage License Subsidy Editorial.....	29,098					29,098	
Women's Relief and Pension.....	4,803,190	9	4,409,573			20,757	372,851
Police Relief and Pension.....	271,298		271,298				(167,930)
Medical Care Trust.....	(167,930)						(171,332)
Welfare Assistance and Administration.....	(171,332)						(103,236)
San Francisco Bay Area Rapid Transit District.....	(103,236)						
City-Street Parking.....	888,831	566,009		322,822			
Heat, Light and Power.....	3,887,623		2,067,535	1,820,088			
Hotel Room Tax.....	3,140		530		2,610		
Unapportioned Funds:	1,808,841	11,422	34,900			1,683,622	78,897
Tax Collector's Taxes.....	685,480	637,867	4,615		29,588		13,410
Delinquent Tax Installments.....	306,134		306,134				
Assessor's Personal Property Taxes.....	1,916		1,132	784			
Redemption of Property.....	43,285			43,285			
Total individual fund balance sheets - Current Funds.....	3,371,655			3,371,655			
	183			183			
	<u>\$126,446,529</u>	<u>\$17,540,815</u>	<u>\$39,757,844</u>	<u>\$7,691,560</u>	<u>\$9,263,469</u>	<u>\$25,200,020</u>	<u>\$26,992,821</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS -
CAPITAL FUNDS, JUNE 30, 1963

CASH	UNSOLD BONDS	INTERFUND ACCOUNTS RECEIVABLE	PLANT, PROPERTY AND EQUIPMENT	AMOUNTS TO BE PROVIDED FOR PAYMENT OF BOND PRINCIPAL	TOTAL
				\$ 1,200,000	\$ 1,200,000
				65,000	65,000
\$ 534,746					534,746
1,943				128,000	129,943
1,071,447				7,182,000	8,253,447
142,850				4,022,000	4,164,850
113,264				2,950,000	3,063,264
109,957				3,148,000	3,257,957
227,921				17,590,000	17,817,921
56,188				3,025,000	3,081,188
2,367,432	\$ 355,000	\$ 600,000		3,325,000	3,325,000
307,002				9,260,000	12,582,432
				4,160,000	4,467,002
8,426				3,670,000	3,678,426
8,383				1,955,000	1,963,383
1,054,443	1,100,000			4,470,000	6,624,443
287,026	1,075,000			13,200,000	14,562,026
1,866,080	2,075,000			19,760,000	23,701,080
199,797				1,300,000	1,499,797
3,971,666	225,000	127,693		6,860,000	11,184,359
97,215	1,800,000				1,897,215
2,716,000				2,725,000	5,441,000
3,060,231	600,000	730,000		4,570,000	15,960,231
29,420				1,030,000	1,059,420
738,498					738,498
548,900					548,900
				\$551,030,182	551,030,182
\$19,518,835	\$14,230,000	\$1,457,693	\$551,030,182	\$115,595,000	\$701,831,710

	TOTAL	BONDED DEBT	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	INVESTMENT IN PLANT, PROPERTY AND EQUIPMENT	UNENCUMBERED APPROPRIATIONS	UNAPPROPRIATED
BOND FUNDS:							
1923 School.....	\$ 1,200,000	\$ 1,200,000					
1933 Sewer.....	65,000	65,000					
1944 Sewer.....	534,746		\$ 108,729	\$ 19,016		\$ 377,650	\$ 29,351
1944 Juvenile Home and Court and 1948 Juvenile Court and Detention Home.	129,943	128,000				1,943	
1947 Street Improvement....	8,253,447	7,182,000	151	9,785		610,832	450,679
1947 Recreation.....	4,164,850	4,022,000	1,591			95,565	45,694
1947 Off-Street Parking....	3,063,264	2,950,000					113,264
1948 Sewage Treatment.....	3,257,957	3,148,000	225	98,974		10,758	
1948 School.....	17,817,921	17,590,000		189,879		13	38,029
1952 Firehouse.....	3,081,188	3,025,000				55,994	194
1954 Recreation Center.....	3,325,000	3,325,000					
1954 Sewer.....	12,582,432	9,260,000	230,378	1,482,302		1,576,371	33,381
1954 San Francisco Hospital	4,467,002	4,160,000	665	93,364		212,973	
1954 Laguna Honda Home and Hospital.....	3,678,426	3,670,000		1,000		7,426	
1954 Exhibit Hall.....	1,963,383	1,955,000					8,383
1955 Playgrounds and Recreation Centers.....	6,624,443	4,470,000	381,593	196,075		1,576,775	
1956 Hall of Justice.....	14,562,026	13,200,000	4,620	591,483		17,015	748,908
1956 School.....	23,701,080	19,760,000	1,166,301	918,789		1,126,955	729,035
1958 Recreation and Park (Steinhart Aquarium)....	1,499,797	1,300,000	174,663	10,142		14,992	
1959 Civic Center Auditorium	11,184,359	6,860,000	3,684,533	174,000		465,826	
1959 Palace of Fine Arts...	1,897,215		1,950	301,600		1,593,665	
1960 de Young Museum.....	5,441,000	2,725,000		134,800		2,581,200	
1960 Sewer.....	15,960,231	4,570,000	323,274	633,474		10,433,483	
1961 Fort Funston.....	1,059,420	1,030,000				29,420	
REAL PROPERTY FUNDS:							
General City.....	738,498		400	33,999		33,763	670,336
San Francisco Unified School District.....	548,900		8,500			21,270	519,130
PLANT, PROPERTY AND EQUIPMENT	551,030,182				\$551,030,182		
TOTAL.....	\$701,831,710	\$115,595,000	\$6,222,373	\$4,753,882	\$551,030,182	\$20,843,889	\$3,386,384

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS -
CAPITAL FUNDS, JUNE 30, 1963

CASH	UNSOLD BONDS	INTERFUND ACCOUNTS RECEIVABLE	PLANT, PROPERTY AND EQUIPMENT	AMOUNTS TO BE PROVIDED FOR PAYMENT OF BOND	TOTAL
				PRINCIPAL	
				\$ 1,200,000	\$ 1,200,000
				65,000	65,000
\$ 534,746					534,746
1,943				128,000	129,943
1,071,447				7,182,000	8,253,447
142,850				4,022,000	4,164,850
113,264				2,950,000	3,063,264
109,957				3,148,000	3,257,957
227,921				17,590,000	17,817,921
56,188				3,025,000	3,081,188
				3,325,000	3,325,000
2,367,432	\$ 355,000	\$ 600,000		9,260,000	12,582,432
307,002				4,160,000	4,467,002
8,426				3,670,000	3,678,426
8,383				1,955,000	1,963,383
1,054,443	1,100,000			4,470,000	6,624,443
287,026	1,075,000			13,200,000	14,562,026
1,866,080	2,075,000			19,760,000	23,701,080
199,797				1,300,000	1,499,797
3,971,666	275,000	127,693		6,860,000	11,184,359
97,215	1,800,000				1,897,215
2,716,000				2,725,000	5,441,000
3,060,731	600,000	730,000		4,570,000	15,960,231
29,421				1,030,000	1,059,420
738,498					738,498
548,900					548,900
				\$551,030,182	551,030,182
\$19,518,835	\$14,230,000	\$1,457,693	\$551,030,182	\$115,595,000	\$701,831,710

	TOTAL	BONDED DEBT	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	INVESTMENT IN PLANT, PROPERTY AND EQUIPMENT	UNENCUMBERED APPROPRIATIONS	UNAPPORTIONED
BOND FUNDS:							
1923 School.....	\$ 1,200,000	\$ 1,200,000					
1933 Sewer.....	65,000	65,000					
1944 Sewer.....	534,746		\$ 108,729	\$ 19,016		\$ 377,650	\$ 29,351
1944 Juvenile Home and Court and 1948 Juvenile Court and Detention Home.	129,943	128,000				1,943	
1947 Street Improvement....	8,253,447	7,182,000	151	9,785		610,832	450,679
1947 Recreation.....	4,164,850	4,022,000	1,591			95,565	45,694
1947 Off-Street Parking....	3,063,264	2,950,000					113,264
1948 Sewage Treatment.....	3,257,957	3,148,000	225	98,974		10,758	
1948 School.....	17,817,921	17,590,000		189,879		13	38,029
1952 Firehouse.....	3,081,188	3,025,000				55,994	194
1954 Recreation Center.....	3,325,000	3,325,000					
1954 Sewer.....	12,582,432	9,260,000	230,378	1,482,302		1,576,371	33,381
1954 San Francisco Hospital	4,467,002	4,160,000	665	93,364		212,973	
1954 Laguna Honda Home and Hospital.....	3,678,426	3,670,000		1,000		7,426	
1954 Exhibit Hall.....	1,963,383	1,955,000					8,383
1955 Playgrounds and Recreation Centers.....	6,624,443	4,470,000	381,593	196,075		1,576,775	
1956 Hall of Justice.....	14,562,026	13,200,000	4,620	591,483		17,015	748,908
1956 School.....	23,701,080	19,760,000	1,166,301	918,789		1,126,955	729,035
1958 Recreation and Park (Steinhart Aquarium).....	1,499,797	1,300,000	174,663	10,142		14,992	
1959 Civic Center Auditorium	11,184,359	6,860,000	3,684,533	174,000		465,826	
1959 Palace of Fine Arts....	1,897,215		1,950	301,600		1,593,665	
1960 de Young Museum.....	5,441,000	2,725,000	134,800			2,581,200	
1960 Sewer.....	15,960,231	4,570,000	323,274	633,474		10,433,483	
1961 Fort Funston.....	1,059,420	1,030,000				29,420	
REAL PROPERTY FUNDS:							
General City.....	738,498		400	33,999		33,763	670,336
San Francisco Unified School District.....	548,900		8,500			21,270	519,130
PLANT, PROPERTY AND EQUIPMENT	551,030,182				\$551,030,182		
TOTAL.....	\$701,831,710	\$115,595,000	\$6,222,373	\$4,753,882	\$551,030,182	\$20,843,889	\$3,386,384

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS -
TRUST AND ASSESSMENT FUNDS, JUNE 30, 1963

CASH	ACCOUNTS RECEIVABLE	INTERFUND ACCOUNTS RECEIVABLE	DEFERRED CHARGES AND DEPOSITS	TOTAL
\$ 6,743,540	\$2,942,688	\$299,791,100	\$1,360,046	\$310,837,374
428		94		522
1,000				1,000
11,514				11,514
658				658
526				526
406,456		49,340		455,796
4,609	1,455	115,250		121,314
100,503				100,503
60,350				60,350
5,723	116	8,379		14,218
1,067		2,000		3,067
8,610	45	2,073		10,728
8,249				8,249
9,156		65,247		74,403
214	22	979		1,215
3,669	194	40,000		43,863
5,552	18	28,402		33,972
1,418				1,418
268				268
28,101				28,101
517				517
184,665				184,665
652	70	4,997		5,719
305				305
102,889		94,140		197,029
1,980	225	15,009		17,214
65				65
3,263				3,263
294				294
43,862				43,862
125,895				125,895
12,047				12,047
10,000				10,000

	TOTAL	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	DEFERRED CREDITS	RESERVES	FUND BALANCES
RETIREMENT AND OTHER PUBLIC TRUST FUNDS:						
Employees' Retirement System.....	\$310,837,374	\$ 4,304,278	\$358,493			\$306,174,603
Requests:						
Brunetti.....	522					522
Child.....	1,000					1,000
Condon.....	11,514					11,514
Fallon.....	658					658
Fast.....	526					526
Fuhrman Bequest - Joint.....	455,796		1,000			454,796
Fuhrman Bequest - Library.....	121,314	643				120,671
Fuhrman Bequest - Park.....	100,503		26,900			73,603
Heller.....	60,350					60,350
Herzstein.....	14,218					14,218
Lewis.....	3,067					3,067
Marx.....	10,728					10,728
McLean.....	8,249		3,000			5,249
Neil V. O'Connell Fund.....	74,403	738		\$ 65,247		8,418
Olsen.....	1,215					1,215
Robinson.....	43,863	74				43,789
Salinger.....	33,972					33,972
Sneide.....	1,418		1,384			34
Steinberg.....	268					268
Steinbrunn.....	28,101					28,101
Stoy.....	517					517
Strybing.....	184,665	1,170	118,500			64,995
Sutro.....	5,719					5,719
Wilbert.....	305					305
Waden.....	197,029					197,029
Windell.....	17,214	18				17,196
Arabic Book Fund.....	65					65
Board of Trustees - Legion of Honor.....	3,263					3,263
de Young Museum Art Trust.....	294					294
Candlestick Park Trust.....	43,862					43,862
Community Renewal Program.....	125,895	107,944	174			17,777
Fund for the Advancement of Education.....	12,047	500	9,571			1,976
Giants Baseball Program.....	10,000	2,864				7,136

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS, JUNE 30, 1963

CASH	ACCOUNTS RECEIVABLE	INVESTMENTS	INTERFUND ACCOUNTS RECEIVABLE	DEFERRED CHARGES AND DEPOSITS	TOTAL
\$ 1,252,488			\$ 255,694		\$ 1,508,182
35					35
2,047,237					2,047,237
295					295
5,850					5,850
441					441
64					64
123					123
5,279					5,279
9,443					9,443
57					57
		\$ 15,585			15,585
1,526	\$ 110				1,636
493					493
535					535
1,145					1,145
110					110
165					165
2,087					2,087
1,862	15,466				17,328
3,847					3,847
164					164
35					35
<u>\$11,221,326</u>	<u>\$2,960,409</u>	<u>\$300,232,525</u>	<u>\$1,615,740</u>		<u>\$316,030,070</u>
\$ 7,962					\$ 7,962
113,930					113,930
26,037					26,037
1,838					1,838
14,200					14,200
1,500					1,500
978,492					978,492
60					60
97,790					97,790
1,523					1,523

	TOTAL	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	DEFERRED CREDITS	RESERVES	FUND BALANCES
RETIREMENT AND OTHER PUBLIC TRUST FUNDS (Continued):						
Health Service.....	\$ 1,508,182	\$ 603,344	\$ 68,431	\$182,883		\$ 653,524
Infantile Paralysis.....	35					35
Walter S. Johnson Gift Fund.....	2,047,237	148,959	11,700			1,886,578
Laguna Honda Home - Gift Fund.....	295					295
Laguna Honda Workshop.....	5,850	210				5,640
Library Gift Fund.....	441					441
Litter Control.....	64					64
Log Cabin Ranch Welfare.....	123					123
Miranda Lux Foundation.....	5,279	200	103			4,976
George Wilson Meyer Collections.....	9,443	6				9,437
Musicians Club of San Francisco.....	57					57
P.P.I.E. Trust.....	15,585					15,585
P.P.I.E. Scholarship Interest.....	1,636	500				1,136
Police Range.....	493					493
Recreation and Park Gift Fund.....	535					535
San Francisco Hospital - Children's Ward.....	1,145					1,145
Social Service.....	110					110
Special Anecdotal Book Fund.....	165					165
Levi Strauss Foundation.....	2,087	19				2,068
State Highway.....	17,328		13,261			4,067
Storyland Fund.....	3,847	1,205				2,642
Tuberculosis Trust.....	164					164
Veterans' Education School.....	35					35
Total Retirement and Other Public Trust Funds.....	\$316,030,070	\$ 5,172,672	\$612,517	\$182,883	\$ 65,247	\$309,996,751
PRIVATE TRUST FUNDS:						
Absent Heirs.....	\$ 7,962					\$ 7,962
Adult Probation Officers' Deposit Account.....	113,930	\$ 20,177				93,753
Adult Probation Officers' Clearing Account.....	26,037	24,333				1,704
California Palace of the Legion of Honor.....	1,838					1,838
Coroner's Unclaimed Money.....	14,200					14,200
County Clerk Bail.....	1,500					1,500
County Clerk Special.....	978,492	68,486				910,006
de Young Museum.....	60	8				52
Duplicate Taxes.....	97,790	7,211	\$ 1,132			89,447
Electrical Deposits.....	1,523					1,523

(Continued) - 2.

CITY AND COUNTY OF SAN FRANCISCO
 AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS, JUNE 30, 1963

CASH	ACCOUNTS RECEIVABLE	INVESTMENTS	INTERFUND ACCOUNTS RECEIVABLE	DEFERRED CHARGES AND DEPOSITS	TOTAL
\$ 3,579			\$ 1,061	\$ 4,640	
24,631			47,825	72,456	
220			54	274	
24,765				24,765	
25,315				25,315	
855				855	
67,250				67,250	
289,098				289,098	
511,578			167,164	678,742	
1,624				1,624	
180,846				180,846	
328,911				328,911	
211,031				211,031	
7,703				7,703	
117				117	
465				465	
2,193				2,193	
10,148	\$ 332			10,480	
18,778	9			18,787	
498,443			599,977	1,058,420	
39,284			64,150	103,434	
233,547			1,193,741	1,427,288	
98,482			194,324	292,806	
1,219,821			642,789	1,862,610	
\$ 5,002,016	\$ 341		\$2,911,085	\$ 7,913,442	
\$ 1,302				\$ 1,302	
4,233				4,233	
938				938	
3,623				3,623	
142				142	
64				64	
461				461	
1,580				1,580	
\$ 12,343				\$ 12,343	

	TOTAL	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	DEFERRED CREDITS	RESERVES	FUND BALANCES
PRIVATE TRUST FUNDS (Continued):						
F.I.C.A. Taxes:						
Bay Area Air Pollution Control District.....	\$ 4,640	\$ 34				\$ 4,606
Municipal Railway.....	72,456	11				72,445
Parking Authority.....	274					274
Jail Stores Deposits.....	24,765	657				24,108
Juvenile Court Deposits.....	25,315	1,561				23,754
Library Card Deposits.....	855	70				785
Municipal Court Bail.....	67,250	200				67,050
Municipal Court Special.....	289,098	14,524				274,574
Old Age Security and Disability Insurance.....	678,742	448				678,294
Police Department Deposits.....	1,624	100				1,524
Realty Deposits.....	180,846	15,000				165,846
Refundable Deposits, Department of Public Works.	328,911	8,857				320,054
Sheriff's Trust.....	211,031	43,271				167,760
Sheriff's Inmate Welfare Fund.....	7,703	1,906				5,797
Special Badge.....	117					117
Street Improvement.....	465					465
Street Improvement - Ordinance 1934.....	2,193					2,193
Sunset Tunnel Assessment Refund.....	10,480					10,480
Twin Peaks Tunnel Refund.....	18,787					18,787
Voluntary Payroll Deductions.....	1,058,420	456,469				601,951
War Bonds.....	103,434	23,224				80,210
Withholding Tax:						
General.....	1,427,288	28				1,427,260
Municipal Railway.....	292,806					292,806
San Francisco Unified School District.....	1,862,610	651,179				1,211,431
Total Private Trust Funds.....	\$ 7,913,442	\$ 1,337,754	\$ 1,132			\$ 6,574,556
ASSESSMENT AND REDEMPTION FUNDS:						
Circular Avenue Assessment.....	\$ 1,302					\$ 1,302
Circular Avenue Redemptions.....	4,233					4,233
City Lands Assessment.....	938					938
City Lands Redemption.....	3,623					3,623
Oakwood Street Assessments.....	142					142
Saturn Street Redemptions.....	64					64
Virginia Avenue Assessments.....	461					461
Virginia Avenue Redemptions.....	1,580					1,580
Total Assessment and Redemption Funds...	\$ 12,343					\$ 12,343

(Continued) - 3.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - TRUST AND ASSESSMENT FUNDS, JUNE 30, 1963

CASH	ACCOUNTS RECEIVABLE	INTERFUND ACCOUNTS INVESTMENTS	DEFERRED CHARGES AND DEPOSITS	TOTAL
\$ 265,047	\$ 634			\$ 265,681
3,737		\$ 530		4,267
19,323			\$ 35,000	54,323
50,474				50,474
502,332				502,332
60,912				60,912
397,262				397,262
237,718				237,718
3,114				3,114
327				327
110,362	225		20,864	131,451
47,324				47,324
6,693				6,693
3,722,543				3,722,543
302				302
11,867				11,867
3,608				3,608
41,227		20,582		61,809
34,480		14,111		48,591
\$ 5,518,652	\$ 859	\$ 35,223	\$ 55,864	\$ 5,610,598
			\$128,975	\$ 128,975
\$21,754,337	\$2,961,609	\$300,232,595	\$4,562,048	\$184,839
				\$329,695,428

EXHIBIT H

	TOTAL	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	DEFERRED CREDITS	RESERVES	FUND BALANCES
AGENCY FUNDS:						
Bay Area Air Pollution Control District Funds...	\$ 265,681	\$ 46,141	\$ 7,507			\$ 212,033
Bay Area Rapid Transit District.....	4,267	2,043		\$ 530		1,694
Hunters Point Reclamation District.....	54,323		35,000			19,323
Redevelopment Agency:						
Lower Market and Embarcadero Trustee.....	50,474					50,474
Project Expenditure Funds.....	502,332	2,887	37,549			461,896
Revolving Fund.....	60,912	28,097				32,815
Temporary Loan Funds.....	397,262	392,307				4,955
Survey and Planning Funds.....	237,718	10,080	6,300			221,338
State of California:						
Consumers' Use Tax.....	3,114					3,114
County Clerk.....	327	112				215
County Fair.....	131,451	16,729	20,613			94,109
Fines and Forfeitures.....	47,324	22,637				24,687
General Agency.....	6,693					6,693
Inheritance Taxes.....	3,722,543	2,941,974				780,569
Inheritance Tax Refunds.....	302	54				248
Law Library.....	11,867	11,859				8
Sales Tax.....	3,608					3,608
State Teachers' Retirement Plan.....	61,809	20,611				41,198
Teachers' Annuity Deposit.....	48,591	15,973				32,618
Total Agency Funds.....	\$ 5,610,598	\$ 3,511,504	\$106,969	\$ 530		\$ 1,991,595
CASH DEPOSITS AND GUARANTEES.....	\$ 128,975				\$128,975	
Total Individual Fund Balance Sheets - Trust and Assessment Funds.....	<u>\$329,695,428</u>	<u>\$10,021,930</u>	<u>\$720,618</u>	<u>\$183,413</u>	<u>\$194,222</u>	<u>\$318,575,245</u>

(Concluded) - 4.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICES ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1961

CASH	ACCOUNTS RECEIVABLE	INTERFUND ACCOUNTS RECEIVABLE	UNSOLED BONDS	AMOUNTS TO BE PROVIDED FOR PAYMENT OF BOND PRINCIPAL	MATERIAL AND SUPPLIES	TOTAL
\$ 2,939,854	\$1,137,362	\$ 514,588		\$ 2,000,000	\$ 43,117	\$ 4,634,921
	45,564			5,001,000		2,000,000
	97,587			1,085,000		5,046,564
14,267,337		200,000	\$ 4,000,000	42,310,000		1,182,587
				1,500,000		60,777,337
				9,000,000		1,500,000
				1,500,000		9,000,000
						1,500,000
<u>\$17,350,342</u>	<u>\$1,137,362</u>	<u>\$ 714,588</u>	<u>\$ 4,000,000</u>	<u>\$ 62,396,000</u>	<u>\$ 43,117</u>	<u>\$ 85,641,402</u>
\$ 8,650,089	\$2,006,830	\$ 257,567		\$ 8,000,000	\$ 577,646	\$ 11,492,132
				25,140,000		8,000,000
25,733,531			\$85,700,000			350,273,231
<u>\$34,383,620</u>	<u>\$2,006,830</u>	<u>\$ 257,567</u>	<u>\$85,700,000</u>	<u>\$ 37,140,000</u>	<u>\$ 577,646</u>	<u>\$160,865,663</u>
\$ 3,347,544	\$ 538,452	\$ 63,795			\$ 527,551	\$ 4,477,342
	8,308	218		\$ 1,244,000		1,252,526
<u>\$ 3,355,852</u>	<u>\$ 538,452</u>	<u>\$ 64,013</u>		<u>\$ 1,244,000</u>	<u>\$ 527,551</u>	<u>\$ 5,729,868</u>
\$ 4,280,515	\$ 711,824	\$ 105			\$ 20,244	\$ 5,012,688
	8,145					8,145
3,937,199		856,163		\$ 21,175,000		25,968,362
1,872,498	1,477,593					3,350,091
				423,000		423,000
				1,227,000		1,227,000
9,562,777				9,800,000		19,362,777
<u>\$19,661,134</u>	<u>\$2,189,417</u>	<u>\$ 856,268</u>		<u>\$ 32,625,000</u>	<u>\$ 20,244</u>	<u>\$ 55,352,063</u>
\$ 20,167		\$ 2,421				\$ 22,588
<u>\$ 2,474,676</u>						<u>\$ 2,474,676</u>
\$77,445,791	\$5,872,061	\$1,894,857	\$89,700,000	\$133,405,000	\$1,168,558	\$309,286,267

	TOTAL	BONDED DEBT	ACCOUNTS PAYABLE AND COMMITMENTS	INTERFUND ACCOUNTS PAYABLE	RESERVE	DEFERRED CREDITS	UNENCUMBERED APPROPRIATIONS	UNAPPROPRIATED
ETCH HISTORY PROJECT:								
Operating.....	\$ 4,634,921		\$ 860,963	\$ 144,605	\$ 47,117	\$ 222,436	\$ 595,910	\$ 2,763,990
1910 Water Bonds.....	2,000,000	\$ 2,000,000						
1947 Water Bonds.....	5,046,564	5,001,000					45,564	
1949 Cherry Valley Dam Bonds.....	1,182,587	1,085,000					97,587	
1955 Hatch Hatchey Power Bonds.....	60,777,337	42,310,000	6,159,139	60,894			11,750,948	496,296
1925 Water Bonds.....	1,500,000	1,500,000						
1928 Water Bonds.....	9,000,000	9,000,000						
1932 Water Bonds.....	1,500,000	1,500,000						
Total.....	\$ 85,641,409	\$ 62,396,000	\$ 7,020,162	\$ 205,499	\$ 47,317	\$ 222,436	\$ 12,490,009	\$ 3,260,186
AN FRANCISCO WATER DEPARTMENT:								
Operating.....	\$ 11,492,132		\$ 2,699,601	\$ 292,788	\$ 751,290	\$ 134,852	\$ 4,110,164	\$ 3,503,437
1928 Spring Valley Bonds.....	8,000,000	\$ 8,000,000						
1961 Municipal Water System Bonds.....	340,573,231	29,140,000	18,012,700	173,258			11,129,214	82,118,159
Total.....	\$ 160,065,463	\$ 37,140,000	\$ 20,712,301	\$ 466,046	\$ 751,290	\$ 134,852	\$ 15,240,078	\$ 85,621,596
UNICIPAL RAILWAY OF SAN FRANCISCO:								
Operating.....	\$ 4,477,342		\$ 1,183,772	\$ 695,919	\$ 797,551	\$ 10,934	\$ 1,052,231	\$ 736,935
1947 Municipal Railway Rehabilitation....	1,252,526	\$ 1,244,000					8,526	
Total.....	\$ 5,729,868	\$ 1,244,000	\$ 1,183,772	\$ 695,919	\$ 797,551	\$ 10,934	\$ 1,060,757	\$ 736,935
AN FRANCISCO INTERNATIONAL AIRPORT:								
Operating.....	\$ 5,012,688		\$ 923,522	\$ 286,287	\$ 474,048		\$ 1,512,809	\$ 1,816,022
Special Aviation.....	8,145		2,219				365	5,561
1956 Airport Bonds.....	25,968,362	\$ 21,175,000	2,543,366	64,993			1,903,763	281,240
Federal Airport Project.....	3,350,091		1,602,415	881,821			244,426	621,429
1945 Airport Bonds.....	423,000	423,000						
1949 Airport Bonds.....	1,227,000	1,227,000						
1962 Airport Bonds.....	19,362,777	9,800,000	7,559,220	13,428			1,832,671	157,461
Total.....	\$ 55,392,063	\$ 32,625,000	\$ 12,630,752	\$ 1,246,526	\$ 474,048		\$ 5,499,034	\$ 2,881,713
URBIO UTILITIES COMMISSION - OPERATING....								
	\$ 22,598		\$ 8,531	\$ 9,384	\$ 1,000			\$ 3,673
OND INTEREST AND REDEMPTION.....								
	\$ 2,474,676		\$ 1,11,083		\$ 2,363,593			
TOTAL.....	\$ 309,286,267	\$ 133,405,000	\$ 41,666,091	\$ 2,623,374	\$ 4,434,599	\$ 368,222	\$ 34,284,878	\$ 92,504,103

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNITED SCHOOL DISTRICT

SUMMARY OF PROPERTIES (EXCLUSIVE OF PUBLIC SERVICE ENTERPRISES), JUNE 30, 1963

	TOTAL	LAND	STRUCTURES AND IMPROVEMENTS	EQUIPMENT
CURRENT YEAR'S ADDITIONS, NET:				
General Government:				
Civil Center, including City Hall.....	\$ 361,710		\$ 143,989	\$ 217,721
Public Safety:				
Fire Department.....	615,036	\$ (3,837)	315,536	303,337
Police Department.....	463,458	(4,313)	137,717	330,054
Department of Electricity.....	12,090		10,245	1,845
Highways:				
Streets, tunnels, bridges, etc.....	4,679,550	932,197	3,708,116	39,237
Off-street parking.....	179,188	179,188		
Sanitation:				
Sewers and sewer disposal plants.....	2,821,937	14,226	2,771,646	36,065
Street Cleaning Department.....	30,913			30,913
Health Conservation:				
Hassler Health Home.....	12,052		627	11,425
Civil Center Health Building.....	40,884			40,884
Other.....	16,500	16,500		
Hospitals:				
San Francisco Hospital.....	1,527,720		1,325,723	201,997
Emergency Hospitals.....	13,527			13,527
Public Welfare:				
Laguna Honda Home.....	254,437		92,246	162,191
San Francisco Welfare Department.....	19,901		1,848	18,053
Corrections:				
Youth Guidance Center.....	237,153		217,540	19,613
Juvenile Log Cabin Ranch.....	160,212	(3,800)	164,012	
Schools.....	4,577,442	(17,096)	3,590,461	1,004,077
Libraries.....	428,646	45,411	846	382,389
Recreation:				
Parks and playgrounds.....	656,355	108,142	486,306	61,907
Museums, art galleries, etc.....	362,460		349,090	13,370
War Memorial and Opera House.....	1,069			1,069
Auditorium and Exhibit Hall.....	3,335,078		3,334,888	190
Kezar Stadium.....	56,231		56,231	
Golf links.....	3,449		3,449	
Central warehouse and corporation yard.....	283,400	273,390	10,010	
Other.....	32,847			32,847
Total.....	\$ 21,183,245	\$ 1,540,008	\$ 16,720,526	\$ 2,922,711
PRIOR YEARS' ADDITIONS.....	529,846,937	80,985,977	407,595,273	41,265,687
TOTAL.....	\$51,030,182	\$82,525,985	\$424,315,799	\$44,188,398

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1963

	DATE OF ISSUE	INTEREST RATE PER CENT	
GENERAL CITY AND COUNTY:			
Schools:			
1923 School.....	3/1/23	5	\$ 1,200,000
1948 School:			
Series B.....	4/1/51	1-3/4	2,310,000
Series C.....	3/1/52	1-1/2	3,560,000
Series D.....	12/1/52	1-3/4	5,590,000
Series E.....	8/1/53	2-1/2	1,920,000
Series F.....	3/1/54	1-1/2 and 1-3/4	1,200,000
Series G.....	4/1/55	1-3/4	2,410,000
Series H.....	4/1/57	2-1/2	600,000
1956 School:			
Series A.....	11/1/57	3	4,000,000
Series B.....	12/1/58	2-1/2 to 3	2,725,000
Series C.....	6/1/59	3 and 3-1/4	660,000
Series D.....	2/1/60	3-1/4 and 3-1/2	3,755,000
Series E.....	10/1/60	2-1/4 to 3	4,330,000
Series F.....	7/1/61	2-1/2 to 5	2,330,000
Series G.....	3/1/62	2-1/4 to 4	1,960,000
Total.....			<u>\$ 38,550,000</u>
Juvenile Court:			
1948 Juvenile Court and Detention Home:			
Series B.....	11/1/49	1-1/2	<u>\$ 128,000</u>
Boulevards and Roads:			
1947 Street Improvement:			
Series B.....	8/1/49	1-1/2	\$ 278,000
Series C.....	11/1/49	1-1/2	780,000
Series D.....	9/1/50	1-1/4	174,000
Series E.....	3/1/52	1-1/2	800,000
Series F.....	12/1/52	1-3/4	570,000
Series G.....	3/1/54	1-1/4	100,000
Series H.....	1/1/56	2 and 2-1/4	795,000
Series I.....	4/1/57	2-1/2	1,665,000
Series J.....	5/1/58	2-1/4 and 2-1/2	1,000,000
Series K.....	12/1/58	2-1/2 to 3	1,020,000
Total.....			<u>\$ 7,182,000</u>

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS, JUNE 30, 1963

	DATE OF ISSUE	INTEREST RATE PER CENT	
GENERAL CITY AND COUNTY (Continued):			
Sewers:			
1933 Sewer:			
Series A.....	12/1/33	4	\$ 65,000
1948 Sewage Treatment:			
Series A.....	8/1/48	1-1/2	1,050,000
Series B.....	11/1/49	1-1/2	418,000
Series C.....	3/1/52	1-1/2	640,000
Series D.....	3/1/54	1-1/4	100,000
Series E.....	1/1/56	2 and 2-1/4	640,000
Series F.....	5/1/58	2-1/4 and 2-1/2	300,000
1954 Sewer:			
Series A.....	1/1/56	2 and 2-1/4	1,860,000
Series B.....	11/1/57	3	3,000,000
Series C.....	12/1/58	2-1/2 to 3	1,920,000
Series D.....	2/1/60	3-1/4 and 3-1/2	790,000
Series E.....	4/1/63	2 to 5	1,690,000
1960 Sewer:			
Series A.....	3/1/62	2-1/4 to 4	4,570,000
Total.....			<u>\$ 17,043,000</u>
Parks and Playgrounds:			
1947 Recreation:			
Series B.....	11/1/49	1-1/2	\$ 178,000
Series C.....	9/1/50	1-1/2	459,000
Series D.....	8/1/53	2-1/2	990,000
Series E.....	4/1/55	1-3/4	640,000
Series F.....	1/1/56	2 and 2-1/4	1,035,000
Series G.....	4/1/57	2-1/2	720,000
1954 Recreation Center:			
Series A.....	5/1/58	2-1/4 and 2-1/2	3,325,000
1955 Playgrounds and Recreation:			
Centers:			
Series A.....	11/1/57	3	1,350,000
Series B.....	5/1/58	2-1/4 and 2-1/2	650,000
Series C.....	12/1/58	2-1/2 to 3	440,000
Series D.....	2/1/60	3-1/4 and 3-1/2	240,000
Series E.....	10/1/60	2-1/4 to 3	860,000
Series F.....	3/1/62	2-1/4 to 4	930,000

(Continued) - 2.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS, JUNE 30, 1963

	DATE OF ISSUE	INTEREST RATE PER CENT	
GENERAL CITY AND COUNTY (Continued):			
Parks and Playgrounds (Continued):			
1958 Recreation and Park:			
Series A.....	2/1/60	3-1/4 and 3-1/2	\$ 1,045,000
Series B.....	7/1/61	2-1/2 to 5	255,000
1961 Fort Funston:			
Series A.....	3/1/62	2-1/4 to 4	1,030,000
Total.....			<u>\$ 14,147,000</u>
Off-Street Parking:			
1947 Off-Street Parking:			
Series A.....	3/1/52	1-1/2	\$ 160,000
Series B.....	1/1/56	2 and 2-1/4	1,465,000
Series C.....	5/1/58	2-1/4 and 2-1/2	1,325,000
Total.....			<u>\$ 2,950,000</u>
Hospitals:			
1954 San Francisco Hospital:			
Series A.....	1/1/56	2 and 2-1/4	\$ 1,035,000
Series B.....	11/1/57	3	1,000,000
Series C.....	12/1/58	2-1/2 to 3	495,000
Series D.....	6/1/59	3 and 3-1/4	1,240,000
Series E.....	10/1/60	2-1/4 to 3	390,000
1954 Laguna Honda Home and Hospital:			
Series A.....	1/1/56	2 and 2-1/4	1,860,000
Series B.....	4/1/57	2-1/2	1,510,000
Series C.....	5/1/58	2-1/4 and 2-1/2	300,000
Total.....			<u>\$ 7,830,000</u>
Fire Protection:			
1952 Firehouse:			
Series A.....	4/1/55	1-3/4	\$ 1,085,000
Series B.....	1/1/56	2 and 2-1/4	640,000
Series C.....	4/1/57	2-1/2	830,000
Series D.....	2/1/60	3-1/4 and 3-1/2	240,000
Series E.....	7/1/61	2-1/2 to 5	230,000
Total.....			<u>\$ 3,025,000</u>

(Continued) - 3.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS, JUNE 30, 1963

	DATE OF ISSUE	INTEREST RATE PER CENT	
GENERAL CITY AND COUNTY (Continued):			
Exhibit Hall:			
1954 Exhibit Hall:			
Series A.....	4/1/57	2-1/2	\$ 1,955,000
Hall of Justice:			
1956 Hall of Justice:			
Series A.....	4/1/57	2-1/2	\$ 875,000
Series B.....	5/1/58	2-1/4 and 2-1/2	1,000,000
Series C.....	12/1/58	2-1/2 to 3	11,325,000
Total.....			<u>\$ 13,200,000</u>
Civic Center Auditorium:			
1959 Civic Center Auditorium:			
Series A.....	7/1/61	2-1/2 to 5	\$ 700,000
Series B.....	3/1/62	2-1/4 to 4	6,160,000
Total.....			<u>\$ 6,860,000</u>
de Young Museum:			
1960 de Young Museum:			
Series A.....	4/1/63	2 to 5	\$ 2,725,000
Total General City and County.....			<u>\$115,595,000</u>
PUBLIC SERVICE ENTERPRISES:			
Hetch Hetchy Project.....			\$62,396,000
San Francisco Water Department.....			37,140,000
Municipal Railway of San Francisco.....			1,244,000
San Francisco International Airport.....			<u>32,625,000</u>
Total Public Service Enterprises....			<u>133,405,000</u>
Total Bonded Indebtedness.....			<u>\$249,000,000</u>

See notes to financial statements.

(Concluded) - 4.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1963

NOTE:

1. PLANT, PROPERTY AND EQUIPMENT

The total of General City and School plant, property and equipment aggregating \$551,030,182 at June 30, 1963 represents, generally, the accumulated cost of investment in such assets. No detailed records are maintained supporting equipment accounts, except for the School District, nor are equipment accounts usually relieved of the cost of equipment retired except that proceeds from the sale of equipment are credited to the equipment accounts. The total property and equipment of the Public Service Enterprises aggregating \$386,358,468 is stated at appraisal valuations at June 30, 1958, plus subsequent additions at cost. A substantial but undetermined portion of interdepartmental work orders in progress aggregating \$5,321,629 at June 30, 1963, may be applicable to fixed assets but are not charged thereto until completion of the several jobs.

2. CONTINGENT LIABILITIES, SUITS, CLAIMS, ETC.

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County of San Francisco and the School District as at June 30, 1963, aggregating approximately \$46,986,000 and \$100,000, respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of approximately \$46,986,000 against the City and County were claims of \$20,840,746 against the Municipal Railway for which the Railway has provided a reserve of \$3,549,195. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's reports for the San Francisco Water Department and Hetch Hetchy Project refer to contingent liabilities for various property damage, personal injury and other matters at June 30, 1963. The amounts claimed totaled some \$734,000, but actual liability cannot be ascertained at this time.

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1963

The Retirement System has estimated the reserve requirements at June 30, 1963, for compensation claims pending under the workmen's compensation laws of the State of California to be \$2,600,000. The statements of the San Francisco Water Department, Hetch Hetchy Project, and the Municipal Railway of San Francisco indicate amounts that have been reserved for compensation claims. No such provisions have been made by any other department of the municipality. In accordance with Section 172 of the Charter, the City and County of San Francisco provides funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$61,440,000 at June 30, 1959, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The latest available financial statements of the District reflect net income sufficient to meet its operating expenses, and bond interest and redemption requirements.

San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
●
REPORT ON EXAMINATION OF ACCOUNTS
YEAR ENDED JUNE 30, 1963



HOOD AND STRONG
CERTIFIED PUBLIC ACCOUNTANTS

100 Bush Street, San Francisco 4, Calif.

TELEPHONE SUTTER 1-0793

#7615 - 2153

September 30, 1963

THE HONORABLE HARRY D. ROSS, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions and as set forth in an agreement dated January 25, 1963, we have examined the combining balance sheet of the SAN FRANCISCO WATER DEPARTMENT AND HETCH HETCHY PROJECT as of June 30, 1963 and the related combining statements of income and surplus for the year ended on that date, and present our report, together with the following financial statements and supporting schedules:

COMBINING BALANCE SHEET - JUNE 30, 1963

COMBINING STATEMENT OF INCOME FOR THE YEAR

ENDED JUNE 30, 1963

COMBINING STATEMENT OF SURPLUS FOR THE YEAR

ENDED JUNE 30, 1963

NOTES TO FINANCIAL STATEMENTS

ANALYSIS OF BALANCE SHEET:

PROPERTY, PLANT AND EQUIPMENT - JUNE 30, 1963 SCHEDULE 1

BONDED DEBT - JUNE 30, 1963

SCHEDULE 2

COMPARATIVE COMBINED BALANCE SHEET -

JUNE 30, 1963 AND JUNE 30, 1962

COMPARATIVE COMBINED STATEMENT OF INCOME FOR THE

YEARS ENDED JUNE 30, 1963 AND JUNE 30, 1962

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying financial statements present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1963 and the results of their operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Very truly yours,

Hood and Strong

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET - JUNE 30, 1963

ASSETS		Combined	Eliminations	Water Department	Hetch Hetchy Project
PROPERTY, PLANT AND EQUIPMENT (Schedule 1) (Note 1):					
Utility plant in service:					
Water rights and other intangible assets	5,958,543.00			3,222,913.00	2,735,630.00
Tangible plant	281,630,013.23			116,054,955.70	165,575,057.53
Utility plant not in service - tangible plant		1,060,485.83		652,634.98	407,850.85
Total		288,649,042.06		119,930,503.68	168,718,538.38
Less accumulated depreciation		91,618,655.20		41,776,555.75	49,842,099.43
Depreciated value		197,030,386.86		78,153,947.93	118,876,438.93
Construction work in progress		16,332,132.52		4,254,310.44	12,077,822.08
Total property, plant and equipment		213,362,519.38		82,408,258.37	130,954,261.01
CASH:					
On deposit with Treasurer		54,139,875.57		21,256,668.26	32,883,207.31
Revolving funds		34,000.00		30,000.00	4,000.00
Total cash		54,173,875.57		21,286,668.26	32,887,207.31
ACCOUNTS RECEIVABLE:					
Consumers' accounts		1,957,550.54		1,309,334.85	648,215.69
Rentals, claims and miscellaneous accounts		117,226.13		115,910.57	1,315.56
Total		2,074,776.67		1,425,245.42	649,531.25
Less allowance for doubtful accounts		59,701.59		59,701.59	
Accounts receivable - net		2,015,075.08		1,365,543.83	649,531.25
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:					
General departments and funds		695,235.53		3,210.05	692,025.48
Other public service departments		133,908.26	171,145.68	4,125.38	300,928.56
Total due from City and County of San Francisco		829,143.79	171,145.68	7,335.43	992,954.04
OTHER ASSETS:					
Materials and supplies		620,762.49		577,645.71	43,116.78
Commitments for material and services not received (contra)		24,685,144.80		12,476,353.56	12,208,791.24
Other work in progress		458,673.39		259,932.02	198,741.37
Deferred charges and deposits		12,085.19	15,000.00	23,217.47	3,867.72
Total other assets		25,776,565.87	15,000.00	13,337,148.76	12,454,517.11
Total assets		296,157,279.69	186,145.68	118,404,954.65	177,938,470.72

The accompanying Notes 1 through 6 are an integral part of the financial statements.

WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET - JUNE 30, 1963

LIABILITIES

BONDED DEBT (Schedule 2) (Note 2) :

Matured bonds not presented for payment
 Maturing within one year
 Maturing subsequent to June 30, 1964

Total bonded debt

BOND INTEREST PAYABLE:

Matured coupons not presented for payment
 Due July 1, 1963
 Accrued due subsequent to July 1, 1963

Total bond interest payable

ACCOUNTS PAYABLE AND COMMITMENTS:

Warrants outstanding and payroll
 deductions payable
 Accounts payable
 Retained percentages due contractors
 Commitments for materials and services
 not received (contra)

Total accounts payable and commitments

DEPOSITS AND CONSTRUCTION ADVANCES

DUE TO CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds
 Other public service departments

Total due to City and County
 of San Francisco

RESERVES AND DEFERRED CREDITS:

Injuries and damages reserve (Note 6)
 Consumers' accounts subject
 to adjustment (Note 6)
 Other

Total reserves and deferred credits

SURPLUS

Total liabilities

The accompanying Notes 1 through 6 are an integral part of the financial statements.

	Combined	Eliminations	Water Department	Hetch Hetchy Project
70,000.00	70,000.00		11,000.00	59,000.00
8,302,000.00	8,302,000.00		2,231,288.00	6,070,712.00
91,234,000.00	91,234,000.00		20,359,904.00	70,875,096.00
99,506,000.00	99,506,000.00		22,601,192.00	77,004,808.00
36,776.25	36,776.25		8,032.50	28,743.75
465,000.00	465,000.00		180,000.00	285,000.00
566,098.75	566,098.75			566,098.75
1,067,875.00	1,067,875.00		188,032.50	879,842.50
1,668,650.06	1,668,650.06		892,989.26	785,660.80
426,459.47	426,459.47		214,814.06	211,655.41
1,228,016.21	1,228,016.21		264,357.00	963,459.21
24,685,144.80	24,685,144.80		12,476,353.56	12,208,791.24
28,008,280.54	28,008,280.54		13,838,713.88	14,169,566.66
566,616.33	566,616.33		562,666.33	3,950.00
122,870.81	122,870.81		85,965.83	36,904.98
1,697.23	1,697.23		171,158.37	1,684.54
124,568.04	124,568.04		257,124.20	38,589.52
86,307.65	86,307.65		71,307.65	15,000.00
148,798.99	148,798.99		148,798.99	
2,521.95	2,521.95		15,000.00	15,000.00
237,628.59	237,628.59		222,828.59	30,000.00
166,546,311.19	166,546,311.19		80,734,597.15	85,811,714.04
296,157,279.69	296,157,279.69		118,404,954.65	177,938,470.72

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING STATEMENT OF INCOME FOR THE YEAR ENDED JUNE 30, 1963

	Combined	Eliminations	Water Department	Hetch Hetchy Project
OPERATING REVENUES (Note 5):				
Water sales	15,658,453.38	5,000,000.00	15,658,453.38	5,000,000.00
Electrical energy sales	8,930,780.96			8,930,780.96
Total operating revenues	24,589,234.34	5,000,000.00	15,658,453.38	13,930,780.96
OPERATING EXPENSES:				
Standby charges and purchases of water				
Purchases of electrical energy	226,974.23	5,000,000.00	5,000,000.00	226,974.23
Production expenses	523,809.63			523,809.63
Source of supply	834,798.46		834,798.46	
Pumping	370,195.84		370,195.84	
Water treatment	376,388.70		376,388.70	
Transmission and distribution	4,142,467.67		1,959,158.66	2,183,309.01
Commercial (customer accounts and sales expenses)	739,044.60		739,044.60	
Administration and general	2,140,239.13		1,252,641.39	887,597.74
Property taxes (Note 5)	1,182,630.07		991,783.48	190,846.59
Depreciation	3,991,534.39		1,514,736.15	2,476,798.24
Total operating expenses	14,528,082.72	5,000,000.00	13,038,747.28	6,489,335.44
OPERATING INCOME	10,061,151.62	0.00	2,619,706.10	7,441,445.52
OTHER INCOME:				
Gains from sales of property	100,466.95		83,436.12	17,030.83
Rentals received (including crop sales)	455,006.94		426,063.16	28,943.78
Interest earned	104,999.99		104,999.99	
Miscellaneous	335,618.68		298,735.74	36,882.94
Total other income	996,092.56		913,235.01	82,857.55
Total income before other deductions	11,057,244.18		3,532,941.11	7,524,303.07
OTHER DEDUCTIONS:				
Interest on bonded debt	1,921,864.56		423,756.60	1,498,107.96
Agricultural division, rental and crop expenses	65,490.09		65,490.09	
Miscellaneous	15,492.47		15,492.47	
Total other deductions	2,002,847.12		504,739.16	1,498,107.96
EXCESS OF REVENUE OVER EXPENSES	9,054,397.06		3,028,201.95	6,026,195.11

The accompanying Notes 1 through 6 are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1963

	Combined	Water Department	Hetch Hetchy Project
Balance, June 30, 1962	156,670,048.77	77,622,002.35	79,048,046.42
Excess of revenues over expenses per accompanying statement of income	9,054,397.06	3,028,201.95	6,026,195.11
Refund of property taxes paid to Tuolumne County for the two taxable years ended June 30, 1962 (including interest of \$26,363.88)	722,950.04		722,950.04
Reduction of injuries and damages reserve established in prior years	98,915.32	84,392.85	14,522.47
Balance, June 30, 1963	166,546,311.19	80,734,597.15	85,811,714.04

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1963

NOTE 1 - PROPERTY, PLANT AND EQUIPMENT:

(a) Fixed assets are stated substantially at cost, either to the predecessor or to the Water Department and Hetch Hetchy Project. As provided in Section 128 of the Charter of the City and County of San Francisco, an appraisal of property, plant and equipment is made at five year intervals which includes an inspection of the properties as well as a review of the estimated remaining life and depreciated value of the assets in order to determine reasonable annual depreciation. The last completed appraisal was made as of June 30, 1958 and the depreciation charges since that date, including the current year's provision in the amount of \$4,073,179.37, have been based on rates established therein. A new appraisal as of June 30, 1963 is presently in progress.

(b) Construction work in progress as summarized below represents projects undertaken by the Water Department and Hetch Hetchy Project and contracts awarded to outside contractors.

Expended to June 30, 1963	Additional Expenditures Required to Complete (Estimated)	Estimated Year of Completion
------------------------------------	--	------------------------------------

WATER DEPARTMENT:

From 1961 Municipal Water System
Bond funds and from operating
funds:

Water mains	87,694	59,000	
Balboa Reservoir	659,433	3,000,000	1965
San Antonio Dam	1,163,277	6,074,000	1965
Bay Division Pipeline #4	217,719	21,782,000	1969
New Corporation Yard	595,706	649,000	1963
University Mound Reservoir	1,252,747	857,000	1963
Other	139,990	1,973,000	
Interest capitalized, not allocated	137,744		
Total Water Department	4,254,310	34,394,000	

	Expended to June 30, 1963	Additional Expenditures Required to Complete (Estimated)	Estimated Year of Completion
HETCH HETCHY PROJECT:			
From 1961 Municipal Water System Bond funds:			
San Joaquin Pipeline #3	3,098,216	13,800,000	1968
Don Pedro Dam	11,495	45,000,000	1968
Interest capitalized, not allocated	<u>191,226</u>		
	<u>3,300,937</u>	<u>58,800,000</u>	
From 1955 Hetch Hetchy Power Bond funds:			
Canyon Power Project	7,589,438	12,213,000	1966
Interest capitalized, not allocated	1,062,911		
Other unallocated expense	<u>86,952</u>		
	<u>8,739,301</u>	<u>12,213,000</u>	
From operating funds:			
Preliminary surveys and other projects	<u>37,584</u>	<u>44,200</u>	
Total Hetch Hetchy Project	<u>12,077,822</u>	<u>71,057,200</u>	
Total construction work in progress	<u>16,332,132</u>	<u>105,451,200</u>	

NOTE 2 - BONDED DEBT:

Information concerning the combined bonded debt of \$99,606,000, incurred upon the general faith and credit of the City and County of San Francisco, is provided in Schedule 2 accompanying the financial statements.

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1983. A summary of maturities for the succeeding five years follows:

Year ending June 30	Amount
1964	8,302,000
1965	8,522,000
1966	6,827,000
1967	6,665,000
1968	<u>7,385,000</u>
	<u>37,701,000</u>

Details of recent approved bond issues showing the authorized, issued, and unissued amounts are as follows:

	Authorized	Issued	Unissued
1961 Municipal Water System Bonds:			
San Francisco Water Department	48,000,000	12,229,568	35,770,432
Hetch Hetchy Project	<u>67,000,000</u>	<u>17,070,432</u>	<u>49,929,568</u>
	115,000,000	29,300,000	85,700,000
1955 Hetch Hetchy Power Bond Fund - Hetch Hetchy Project	<u>54,000,000</u>	<u>50,000,000</u>	<u>4,000,000</u>
Total	<u>169,000,000</u>	<u>79,300,000</u>	<u>89,700,000</u>

The 1955 bond issue was used for the Cherry and Canyon power projects in Tuolumne County, California. The Cherry Project was completed in 1962 at a cost of \$33,754,456.07 while the Canyon Project is expected to be completed in 1966.

NOTE 3 - PENSION PLAN:

The Water Department and Hetch Hetchy Project, as part of the City and County of San Francisco, participate in a compulsory contributory retirement plan for full time employees, integrated with the benefits provided by the Social Security Law.

Costs for the year ended June 30, 1963, based on actuarial computations and charged to expense are as follows:

Water Department	250,073
Hetch Hetchy Project	117,495

NOTE 4 - PROJECTED MERGER:

Section 122 of the Charter of the City and County of San Francisco requires that the Hetch Hetchy Project be merged on completion with the Water Department. In the opinion of the City Attorney, the project had not been completed at June 30, 1963. However, a charter amendment has been approved by the electorate to permit a merger prior to physical completion. Action is now up to the Board of Supervisors who must approve the merger by a two-thirds vote.

NOTE 5 - OPERATING REVENUE AND TAX EXPENSE:

(a) Revenues from water and power services furnished to consumers are taken into income when billed.

In the case of the Water Department, the billing operation is on a cyclic basis for consumption in the preceding one or two month period. On May 1, 1962, rates to consumers were reduced and as a result, the year ended June 30, 1963 was the first full year wherein reduced rates were in effect.

(b) The accompanying combining statement of income does not include revenues from water delivered to certain municipal departments which are supplied with water without charge, nor does it include a provision for City and County of San Francisco property tax expense. However, the computed value of water so supplied without charge to municipal departments for the current year, which amounted to \$1,046,798.52, was taken up on the books of the Water Department as a credit to operating revenue, and a like amount was charged to municipal tax expense in token compliance with Section 64 of the Charter of the City and County of San Francisco. This section provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property, and the revenue of the utility if it were privately owned and operated. On the basis of an estimate by the City Assessor covering the fiscal year ended June 30, 1963 real property taxes within San Francisco would approximate \$2,645,000 in the case of the Water Department and \$31,000 in the case of the Hetch Hetchy Project.

NOTE 6 - CONTINGENT LIABILITIES - PENDING ITEMS:

The Water Department and Hetch Hetchy Project were contingently liable in connection with various property damage, personal injury, and other matters at June 30, 1963. The amounts claimed totaled some \$734,000 but actual liability cannot be ascertained at this time.

Major types of insurance risks are placed with independent insurance carriers; however, the Water Department and Hetch Hetchy Project act as self insurers against losses from workmen's compensation claims and certain other liability and property casualty losses.

The Water Department, on acquisition of the facilities of the Spring Valley Water Company, assumed contracts executed by that company which entitled certain consumers to receive water either at reduced rates or free of charge. Based upon a legal opinion of the City Attorney that the contracts were illegal and unenforceable, these consumers have been billed at normal scheduled rates from November 17, 1950 to date. A number of consumers filed claims contesting the cancellation of these contracts and for damages resulting therefrom. The Water Department has established adequate reserves in the amount of \$148,799 representing the difference between the normal and contract rates; however, no provision has been made for any damages which may be awarded in litigation. No claims were settled in the year ended June 30, 1963.

Nine suits have been filed by the City Attorney on behalf of Hetch Hetchy against suppliers of electrical equipment following litigation under Federal Anti Trust Laws. The amount claimed had not been finalized as of June 30, 1963.

WATER DEPARTMENT AND HETCH HETCHY PROJECT

ANALYSIS OF BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

JUNE 30, 1963

	Property, Plant and Equipment	Accumulated Depreciation
UTILITY PLANT IN SERVICE:		
Water rights and other intangible assets:		
Water Department	3,222,913.00	
Hetch Hetchy Project	<u>2,735,630.00</u>	
Total intangible plant in service	<u>5,958,543.00</u>	
Tangible plant:		
Water Department:		
Landed capital	14,962,584.18	
Source of supply plant	32,285,259.92	12,185,210.62
Pumping plant	2,557,369.62	978,869.04
Water treatment plant	840,027.41	272,326.91
Transmission and distribution plant	62,327,257.95	26,377,135.36
General plant	2,167,791.40	1,065,441.55
Interest during construction	<u>914,665.22</u>	<u>454,293.57</u>
Total Water Department	<u>116,054,955.70</u>	<u>41,333,277.05</u>
Hetch Hetchy Project:		
Electric plant:		
Hydraulic production	31,171,804.80	6,881,979.41
Transmission plant	11,678,549.66	2,631,600.68
Distribution plant	27,736.23	13,459.98
General plant	367,910.17	172,359.89
Interest during construction	<u>3,808,844.95</u>	
Total electric plant	<u>47,054,845.81</u>	<u>9,699,399.96</u>
Water plant:		
Landed capital	365,651.98	
Pumping plant	53,939.02	9,498.09
Water treatment plant	92,104.27	57,663.93
Transmission and distribution plant	<u>69,932,370.25</u>	<u>27,432,161.35</u>
Total water plant	<u>70,444,065.52</u>	<u>27,499,323.37</u>
Joint plant:		
Hydraulic plant	45,959,029.23	11,362,467.94
Transmission plant	149,833.60	66,304.01
Distribution plant	111,268.86	70,815.84
General plant	<u>1,856,014.51</u>	<u>1,143,788.33</u>
Total joint plant	<u>48,076,146.20</u>	<u>12,643,376.12</u>
Total Hetch Hetchy Project	<u>165,575,057.53</u>	<u>49,842,099.45</u>
Total tangible plant in service	<u>281,630,013.23</u>	<u>91,175,376.50</u>
Total utility plant in service (Forward)	<u>287,588,556.23</u>	<u>91,175,376.50</u>

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
ANALYSIS OF BALANCE SHEET
PROPERTY, PLANT AND EQUIPMENT

JUNE 30, 1963

(Continued)

	Property, Plant and Equipment	Accumulated Depreciation
UTILITY PLANT IN SERVICE (Forwarded)	<u>287,588,556.23</u>	<u>91,175,376.50</u>
UTILITY PLANT NOT IN SERVICE:		
Tangible plant:		
Water Department	652,634.98	443,278.70
Hetch Hetchy Project	<u>407,850.85</u>	
Total utility plant not in service	<u>1,060,485.83</u>	<u>443,278.70</u>
CONSTRUCTION WORK IN PROGRESS:		
Water Department:		
Water mains	87,694.36	
Balboa reservoir	659,432.48	
San Antonio Dam	1,163,277.38	
Bay Division Pipeline #4	217,719.18	
New Corporation Yard	595,705.69	
University Mound Reservoir	1,252,747.03	
Other	139,990.32	
Interest capitalized, not allocated	<u>137,744.00</u>	
Total Water Department	<u>4,254,310.44</u>	
Hetch Hetchy Project:		
San Joaquin Pipeline #3	3,098,216.00	
Canyon Power Project	7,589,438.26	
Interest capitalized but not allocated	1,254,137.36	
Other	124,535.80	
Don Pedro Dam	<u>11,494.66</u>	
Total Hetch Hetchy Project	<u>12,077,822.08</u>	
Total construction work in progress	<u>16,332,132.52</u>	
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>304,981,174.58</u>	<u>91,618,655.20</u>

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HETCH HETCHY PROJECT
 ANALYSIS OF BALANCE SHEET
 PROPERTY, PLANT AND EQUIPMENT
 JUNE 30, 1963
 (Continued)

ADDITIONS AND RETIREMENTS TO
 UTILITY PLANT IN SERVICE
 YEAR ENDED JUNE 30, 1963

	Additions and Transfers	Retirements
Water Department:		
Landed capital	442,127.58	30,060.23
Source of supply plant	191,288.56	
Pumping plant	45,125.18	
Water treatment plant	71,632.60	
Transmission and distribution plant (net of La Honda Reservoir transferred to standby \$410,934.00)	1,255,856.28	130,492.84
General plant	<u>226,157.35</u>	<u>60,279.05</u>
Total Water Department	<u>2,232,187.55</u>	<u>220,832.12</u>
Hetch Hetchy Project:		
Electric plant	91,096.01	1,923.03
Water plant	37,540.83	10,144.08
Joint plant	<u>42,979.88</u>	<u>27,358.00</u>
Total Hetch Hetchy Project	<u>171,616.72</u>	<u>39,425.11</u>
Total	<u>2,403,804.27</u>	<u>260,257.23</u>

TRANSFERS OF UTILITY PLANT IN SERVICE
 TO STANDBY BASIS

YEAR ENDED JUNE 30, 1963

Water Department:		
La Honda Reservoir	<u>410,934.00</u>	
TOTAL ADDITIONS, TRANSFERS AND RETIREMENTS	<u>2,814,738.27</u>	<u>260,257.23</u>

WATER DEPARTMENT AND HETCH HETCHY PROJECT

ANALYSIS OF BALANCE SHEET

BONDED DEBT - JUNE 30, 1963

					Matured	Unmatured	Total
Water Department:							
Spring Valley, July 1, 1928	4-1/2%	\$11,000	\$ 8,000,000	\$ 8,011,000			
1947 Hetch Hetchy Water:							
Series A, Feb. 1, 1948	2-1/2%		204,000	204,000			
Series D, Nov. 1, 1949	1-1/2%		1,390,000	1,390,000			
Series E, Sept. 1, 1950	1-1/4%		277,938	277,938			
Series F, Aug. 1, 1953	2-1/2%		555,469	555,469			
1961 Municipal Water System:							
Series A, Mar. 1, 1962	2-1/2% to 6%		2,562,785	2,562,785			
Series B, Apr. 1, 1963	2-1/4% to 6%		9,600,000	9,600,000			
Total Water Department					<u>\$11,000</u>	<u>\$22,590,192</u>	<u>\$22,601,192</u>
Hetch Hetchy Project:							
Water July 1, 1910	4-1/2%	\$ 8,000	\$ 2,000,000	\$ 2,008,000			
Hetch Hetchy							
Water Jan. 1, 1925	5%		1,500,000	1,500,000			
Hetch Hetchy July 1, 1928	4-1/2%	5,000	9,000,000	9,005,000			
Hetch Hetchy June 1, 1932	2-3/4% to 5-3/4%	46,000	1,500,000	1,546,000			
1947 Hetch Hetchy Water:							
Series A, Feb. 1, 1948	2-1/2%		1,671,000	1,671,000			
Series E, Sept. 1, 1950	1-1/4%		793,062	793,062			
Series F, Aug. 1, 1953	2-1/2%		109,531	109,531			
1949 Cherry Valley Dam:							
Series B, Dec. 1, 1952	1-3/4%		1,085,000	1,085,000			
1955 Hetch Hetchy Power:							
Series A, Apr. 1, 1957	2-1/2% & 2-3/4%		7,875,000	7,875,000			
Series B, Nov. 1, 1957	3%		9,800,000	9,800,000			
Series C, May 1, 1958	2 to 2-3/4%		4,075,000	4,075,000			
Series D, Dec. 1, 1958	3 to 3-3/4%		1,680,000	1,680,000			
Series E, June 1, 1959	3 and 3-1/4%		1,680,000	1,680,000			
Series F, Feb. 1, 1960	1 to 6%		3,700,000	3,700,000			
Series G, Oct. 1, 1960	1 to 6%		13,500,000	13,500,000			
1961 Municipal Water System:							
Series A, Mar. 1, 1962	2-1/3% to 6%		3,577,215	3,577,215			
Series B, Apr. 1, 1963	2-1/4% to 6%		13,400,000	13,400,000			
Total Hetch Hetchy Project					<u>\$59,000</u>	<u>\$76,945,808</u>	<u>\$77,004,808</u>
Total					<u>\$70,000</u>	<u>\$99,536,000</u>	<u>\$99,606,000</u>

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMPARATIVE COMBINED BALANCE SHEET - JUNE 30, 1963 AND JUNE 30, 1962

	June 30, 1963	June 30, 1962	Increase (Decrease)
ASSETS			
PROPERTY, PLANT AND EQUIPMENT:			
Utility plant in service	287,588,556.23	285,445,009.19	2,143,547.04
Utility plant not in service	<u>1,060,485.83</u>	<u>649,551.83</u>	<u>410,934.00</u>
Total	288,649,042.06	286,094,561.02	2,554,481.04
Less accumulated depreciation	<u>91,618,655.20</u>	<u>87,749,541.44</u>	<u>3,869,113.76</u>
Depreciated value	197,030,386.86	198,345,019.58	(1,314,632.72)
Construction work in progress	<u>16,332,132.52</u>	<u>3,479,755.91</u>	<u>12,852,376.61</u>
Total property, plant and equipment	213,362,519.38	201,824,775.49	11,537,743.89
CASH	54,173,875.57	38,926,730.74	15,247,144.83
ACCOUNTS RECEIVABLE - Net	2,015,075.08	1,819,489.63	195,585.45
DUE FROM CITY AND COUNTY OF SAN FRANCISCO	829,143.79	969,608.45	(140,464.66)
OTHER ASSETS:			
Materials and supplies	620,762.49	607,156.55	13,605.94
Commitments for materials and supplies not received (contra)	<u>24,685,144.80</u>	<u>13,746,470.29</u>	<u>10,938,674.51</u>
Other	<u>470,758.58</u>	<u>457,649.21</u>	<u>13,109.37</u>
TOTAL ASSETS	<u>296,157,279.69</u>	<u>258,351,880.36</u>	<u>37,805,399.33</u>
LIABILITIES			
BONDED DEBT	99,606,000.00	84,410,000.00	15,196,000.00
BOND INTEREST PAYABLE	1,067,875.00	1,015,333.26	52,541.74
ACCOUNTS PAYABLE AND COMMITMENTS:			
Warrants outstanding and payroll deductions payable	1,668,650.06	701,402.04	967,248.02
Accounts payable	426,469.47	835,514.73	(409,045.26)
Retained percentages due contractors	1,228,016.21	119,439.68	1,108,576.53
Commitments for materials and supplies not received (contra)	<u>24,685,144.80</u>	<u>13,746,470.29</u>	<u>10,938,674.51</u>
Accrued payroll		1,847.28	(1,847.28)
DEPOSITS AND CONSTRUCTION ADVANCES	566,616.33	442,476.23	124,140.10
DUE TO CITY AND COUNTY OF SAN FRANCISCO	124,568.04	80,307.08	44,260.96
RESERVES AND DEFERRED CREDITS:			
Injuries and damages reserve	86,307.65	188,915.32	(102,607.67)
Consumers' accounts subject to adjustment	148,798.99	137,683.96	11,115.03
Other	<u>2,521.95</u>	<u>2,441.72</u>	<u>80.23</u>
SURPLUS	<u>166,546,311.19</u>	<u>156,670,048.77</u>	<u>9,876,262.42</u>
TOTAL LIABILITIES	<u>296,157,279.69</u>	<u>258,351,880.36</u>	<u>37,805,399.33</u>

The accompanying Notes 1 through 6 are an integral part of the financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMPARATIVE COMBINED STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1963 AND JUNE 30, 1962

	June 30, 1963	June 30, 1962	Increase (Decrease)
OPERATING REVENUES:			
Water sales *	15,658,453.38	16,413,844.35	(755,390.97)
Electrical energy sales	8,930,780.96	8,572,792.29	357,988.67
Total operating revenues	<u>24,589,234.34</u>	<u>24,986,636.64</u>	<u>(397,402.30)</u>
OPERATING EXPENSES:			
Purchases of electrical energy	226,974.23	2,663,143.59	(2,436,169.36)
Production expenses	523,809.63	502,603.86	21,205.77
Source of supply	834,798.46	831,266.59	3,531.87
Pumping	370,195.84	385,751.44	(15,555.60)
Water treatment	376,388.70	319,697.24	56,691.46
Transmission and distribution	4,142,467.67	3,745,504.45	396,963.22
Commercial (customers accounts and sales expenses)	739,044.60	766,409.96	(27,365.36)
Administration and general	2,140,239.13	1,842,529.87	297,709.26
Property taxes	1,182,630.07	1,563,756.91	(381,126.84)
Depreciation	3,991,534.39	3,954,669.97	36,864.42
Total operating expenses	<u>14,528,082.72</u>	<u>16,575,333.88</u>	<u>(2,047,251.16)</u>
OPERATING INCOME	<u>10,061,151.62</u>	<u>8,411,302.76</u>	<u>1,649,848.86</u>
OTHER INCOME:			
Gains from sales of property	100,466.95	612,391.00	(511,924.05)
Rentals received (including crop sales)	455,006.94	435,717.05	19,289.89
Interest earned	104,999.99	92,126.74	12,873.25
Miscellaneous	335,618.68	94,296.60	241,322.08
Total other income	<u>996,092.56</u>	<u>1,234,531.39</u>	<u>(238,438.83)</u>
OTHER DEDUCTIONS:			
Interest on bonded debt	1,921,864.56	2,307,218.54	(385,353.98)
Agricultural division and rental and crop expenses	65,490.09	67,489.30	(1,999.21)
Miscellaneous	15,492.47	2,137.70	13,354.77
Total other deductions	<u>2,002,847.12</u>	<u>2,376,845.54</u>	<u>(373,998.42)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>9,054,397.06</u>	<u>7,268,988.61</u>	<u>1,785,408.45</u>

* Water sales by Hetch Hetchy Project to Water Department and the corresponding expense of the Water Department have been eliminated. This amounted to \$5,000,000.00 for the year ended June 30, 1963 and \$4,600,000.00 for the year ended June 30, 1962.

The accompanying Notes 1 through 6 are an integral part of the financial statements.

Municipal Railway of San Francisco



REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1963

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET
SAN FRANCISCO 94104

September 6, 1963

The Honorable H. D. Ross,
Controller, City and County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the balance sheet of the San Francisco Municipal Railway as of June 30, 1963 (Exhibit A) and the related statements of income and surplus (Exhibits B and C) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of the San Francisco Municipal Railway at June 30, 1963 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also comprehended the supplemental schedules relating to Summary of Fixed Capital - Road and Equipment (Schedule 1), Summary of Accumulated Depreciation of Fixed Capital - Road and Equipment (Schedule 2), Unmatured Bonded Debt (Schedule 3), Financial Position (Schedule 4), and supplemental financial information as of June 30, 1963 and for the year then ended. In our opinion, such supplemental schedules and financial information, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

Yours truly,

Haskins & Sells

SAN FRANCISCO MUNICIPAL RAILWAY

BALANCE SHEET, JUNE 30, 1963

A S S E T S

FIXED CAPITAL - Road and equipment (Note 1)	\$31,761,777.02
Accumulated depreciation	21,706,353.04
Road and equipment - net	10,055,423.98
Construction in progress	3,990.13
Total fixed capital	\$10,059,414.11
CASH:	
On deposit with Treasurer	3,086,711.90
Revolving funds	20,000.00
Total cash	3,106,711.90
FARE BOX OPERATING CHANGE FUND	250,000.00
ACCOUNTS RECEIVABLE	262,295.48
INTERFUND ACCOUNTS RECEIVABLE:	
Due from General City and County	42,064.74
Due from other public service enterprises	9,801.79
Total interfund accounts receivable	51,866.53
DEFERRED CHARGES:	
Materials and supplies - principally at average cost and at estimated scrap or residual value	527,551.04
Prepaid rental of leased equipment (Note 1)	1,402,435.73
Other deferred charges	61,583.97
Uncompleted contracts, purchase orders, and other commitments (see contra)	270,000.00
Total deferred charges	2,261,570.74

TOTAL.....

\$15,991,859.76

The accompanying notes to financial statements are an integral part of this statement.

L I A B I L I T I E S

BONDED DEBT:	
Unmatured bonds:	
Maturing within one year	\$ 1,102,000.00
Maturing subsequent to June 30, 1964	142,000.00
Total	1,244,000.00
Matured bonds not presented for payment	200.00
Total bonded debt	\$ 1,244,200.00
BOND INTEREST PAYABLES:	
Accrued but not yet paid	8,156.67
Matured coupons not presented for payment	560.00
Total bond interest payable	8,716.67
ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:	
Outstanding warrants and payroll deductions	1,222,863.73
Accrued salaries and wages	195,393.30
General creditors	150,405.14
Accrued social security taxes	24,999.36
Uncompleted contracts, purchase orders, and other commitments (see contra)	270,000.00
Total accounts payable, accrued liabilities and commitments	1,867,661.53
INTERFUND ACCOUNTS PAYABLE:	
To General City and County	194,490.12
Due to other public service enterprises	16,429.65
Total interfund accounts payable	210,919.77
ESTIMATED LIABILITIES (reserves):	
Accident claims	3,549,195.61
Employees' compensation claims	500,000.00
Outstanding tokens	387.84
Total estimated liabilities	4,049,583.45
DEFERRED CREDITS:	
Contributed surplus	50,045,113.97
Less deficit from operations	41,458,852.26
TOTAL	\$15,991,859.76

SAN FRANCISCO MUNICIPAL RAILWAY

EXHIBIT B

STATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1963 AND 1962, AND COMPARISON

	1963	1962	INCREASE (DECREASE)
OPERATING INCOME:			
Passenger revenue.....	\$19,613,219.06	\$19,683,629.45	\$ (70,410.39)
Advertising revenue.....	194,069.69	163,561.60	30,508.09
Rents.....	16,223.73	15,452.32	771.41
Other.....	68,032.10	37,263.76	30,768.34
Total.....	19,891,544.58	19,899,907.13	(8,362.55)
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures.....	849,163.51	849,544.98	(381.47)
Equipment.....	2,321,143.73	2,359,258.11	(37,114.38)
Total.....	3,170,307.24	3,207,803.09	(37,495.85)
Power.....	1,649,616.81	1,695,891.29	(46,274.48)
Conducting transportation.....	13,358,446.90	12,750,805.44	607,641.46
General and miscellaneous.....	3,832,451.68	3,449,343.83	383,107.85
Payroll taxes.....	451,186.88	402,576.00	48,610.88
Total.....	22,462,009.51	21,506,419.65	955,589.86
Provision for accident claims.....	1,667,123.62	1,673,110.20	(5,986.58)
Depreciation.....	1,030,412.07	1,042,646.77	(12,234.70)
Rent of leased equipment (Note 1).....	1,395,449.92	1,716,595.71	(321,145.79)
Total.....	26,534,995.12	25,938,772.33	616,222.79
LOSS FROM OPERATIONS.....	6,663,450.54	6,038,865.20	624,585.34
OTHER EXPENSES:			
Interest on bonded debt.....	33,027.92	63,151.24	(30,123.32)
Loss on disposal of fixed capital.....	555.60	16,885.02	(16,229.42)
Net adjustment to prior years' losses.....	175,321.68	27,321.15	147,999.53
Total.....	209,004.20	107,357.41	101,646.79
Total.....	6,872,454.74	6,146,222.61	726,232.13
OTHER INCOME:			
Interest on bank balances.....	52,192.00	38,151.81	14,040.19
Profit from sale of fixed capital and scrap and sundry income.....	12,677.30	26,643.03	(13,965.73)
Total.....	64,869.30	64,794.84	74.46
NET LOSS.....	\$ 6,807,585.44	\$ 6,081,427.77	\$ 726,157.67

The accompanying notes to financial statements are an integral part of this statement.

SAN FRANCISCO MUNICIPAL RAILWAYSTATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1963

CONTRIBUTED SURPLUS:

Balance, July 1, 1962.....		\$43,765,254.26
Contributions from General Fund of the City and County of San Francisco:		
From general taxes.....	\$ 6,079,859.71	
From general funds.....	<u>200,000.00</u>	<u>6,279,859.71</u>
Balance, June 30, 1963.....		50,045,113.97

DEFICIT FROM OPERATIONS:

Balance, July 1, 1962.....	34,651,266.82	
Net loss for year.....	<u>6,807,585.44</u>	
Balance, June 30, 1963.....		<u>41,458,852.26</u>

SURPLUS, JUNE 30, 1963.....		<u>\$ 8,586,261.71</u>
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SAN FRANCISCO MUNICIPAL RAILWAY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1963

1. FIXED CAPITAL

Fixed capital - road and equipment is stated at appraisal valuation as of June 30, 1938 (as of September 29, 1944 for the Market Street Extension properties) plus subsequent additions at cost. As provided in Section 128 of the Charter of the City and County of San Francisco a visual review of the properties is made at five-year intervals and adjustments are made, including adjustments to the estimated useful lives used in the determination of depreciation.

The fixed capital as of June 30, 1963 included nonoperated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately \$400,000 and nonoperated equipment, substantially depreciated, of approximately \$460,000. The amount of nonoperated facilities included in the power classification has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1963 amounted to \$1,030,412.07.

Certain motor coaches in operation are leased for a period of six years from dates placed in service. The leases provide the Railway with an option to use the leased coaches for extended service upon expiration of the initial lease period. Annual rentals for the leased coaches are computed on a mileage basis and amounted to \$1,289,777.68 for the year ended June 30, 1963. Sixty-six used one-man electric streetcars are leased for a period of nine years from dates placed in service. At June 30, 1963 the rental was computed on an individual car basis, and \$78,423.84 was charged to operations during the year then ended. Subsequent to June 30, 1963, the Railway exercised its option under the lease and purchased the streetcars. The cost of the streetcars purchased (related unamortized balance of prepaid rental plus purchase price) will be depreciated over the useful lives of the streetcars. Fare boxes (locked-type) and coin sorters are leased for terms of fifteen and nine years, respectively. Rentals for the year ended June 30, 1963 were \$27,248.40.

No city and county property taxes or franchise taxes are paid by the Railway in the operation of its business.

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees.

The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco. Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1963, amounted to approximately \$1,030,000, were made in amounts on the basis of actuarial computations, and are stated to be adequate to provide pensions for employees as they retire. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.

Railway employees are entitled to the additional benefits provided under the Federal Insurance Contributions Act of the Social Security Law.

SAN FRANCISCO MUNICIPAL RAILWAY

SUMMARY OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1953

	BALANCE JULY 1, 1952	ADDITIONS	DEPLETMENTS	BALANCE JUNE 30, 1953
ROAD AND STRUCTURES:				
Right of way.....	\$ 96,296.38			\$ 96,296.38
Gravel bank.....	1,102,749.10			1,102,749.10
Grouting.....	504,966.94			504,966.94
Ballast.....	288,000.00			288,000.00
Ties.....	192,338.09			162,338.09
Rails, rail fastenings, and joints.....	933,142.91			930,412.91
Special track work.....	385,142.21			385,142.21
Underground construction.....	1,727,630.74			1,727,630.74
Track and roadway lab'r.....	4,371,453.78			4,371,453.78
Rolling.....	1,028,076.25			1,028,076.25
Roadway machinery and tools.....	57,112.80	\$ 1,454.44	\$ 876.73	57,690.51
Tunnels and subways.....	13,224.26			13,224.26
Bridges, viaducts, and culverts.....	4,334.85			4,334.85
Drawings, fences, and signs.....	4,018.01	1,297.77		5,305.78
Signals and interlocking apparatus.....	11,873.03	656.50		12,529.53
Communication systems.....	57,302.93	258.92		57,561.85
Poles and fixtures.....	1,377,245.49			1,375,948.18
Underground conduits.....	458,021.79			458,021.79
Distribution system.....	3,806,183.87			3,806,183.87
Stops, carhouses, and garages.....	4,942,769.45	284.96		4,943,054.41
Stations - miscellaneous buildings and structures.....	306,316.31			306,316.31
Total.....	18,745,995.65	3,942.59	2,232.96	18,747,705.28
EQUIPMENT:				
Electric streetcars.....	889,206.58	28,517.44		917,724.02
Cable cars.....	290,808.54			290,808.54
Motor coaches.....	1,324,829.53		16,147.60	1,308,681.93
Trolley coaches.....	7,066,793.40	9,350.64		7,076,144.04
Fare boxes.....	150,740.02		149.95	150,590.07
Service equipment - electric.....	43,414.29			43,414.29
Electric equipment of streetcars and trolley coaches.....	385,992.12	12,221.80		398,213.92
Shop equipment.....	867,928.96	8,108.63	935.00	875,102.59
Furniture and office equipment.....	247,419.71	5,719.38	1,627.77	251,511.32
Automotive and miscellaneous service equipment.....	354,760.01	5,927.74	4,730.12	355,857.63
Total.....	11,621,893.16	69,745.63	23,590.44	11,668,048.35
POWER:				
Substation buildings.....	374,644.04			374,644.04
Power plant equipment - cable cars.....	281,887.96			281,887.96
Substation equipment.....	681,736.06	666.57		682,402.63
Transmission system.....	7,088.76			7,088.76
Total.....	1,345,356.82	666.57		1,346,023.39
TOTAL.....	\$31,713,245.63	\$74,354.79	\$25,823.40	\$31,761,777.02

Reference is made to note 1 of notes to financial statements.

SAN FRANCISCO MUNICIPAL RAILWAY

SUMMARY OF ACCUMULATED DEPRECIATION OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1963

	BALANCE		PROVISION		RETIREMENTS		BALANCE
	JULY 1, 1962		FOR YEAR				JUNE 30, 1963
WAY AND STRUCTURES:							
Grading.....	\$ 338,258.97	\$	31,488.40				\$ 369,747.37
Ballast.....	227,226.58		7,267.93				234,494.51
Ties.....	132,702.34		5,966.76				138,669.10
Rails, rail fastenings, and joints.....	702,787.01		23,453.09				726,240.10
Special track work.....	226,952.29		13,841.01				240,793.30
Underground construction.....	1,256,953.67		30,042.31				1,286,995.98
Track and roadway labor.....	825,624.57		62,014.06				887,638.63
Paving.....	719,246.88		32,769.53				752,016.41
Trackway machinery and tools.....	47,156.17		1,327.72	\$	658.48		47,865.41
Tunnels and subways.....	13,224.26						13,224.26
Bridges, trestles, and culverts.....	4,009.69		108.37				4,118.06
Crossings, fences, and signs.....	3,031.68		181.78				3,213.46
Signals and interlocking apparatus.....	9,091.51		531.01				9,622.52
Communication systems.....	53,698.07		644.74				54,342.81
Poles and fixtures.....	787,529.31		19,114.55		1,478.42		805,165.84
Underground conduits.....	325,764.59		8,433.02				334,197.61
Distribution system.....	1,967,358.23		94,098.11				2,061,456.34
Shops, carhouses, and garages.....	2,507,914.59		99,760.84				2,607,675.43
Stations - miscellaneous buildings and structures.....	228,278.09		6,103.31				234,381.40
Total.....	10,376,848.50		437,146.94	2,136.90			10,811,858.94
EQUIPMENT:							
Electric streetcars.....	473,114.59		44,543.44				517,658.03
Cable cars.....	280,172.56		300.00				280,472.56
Motor coaches.....	1,310,341.95		355.37	15,997.60			1,294,699.72
Trolley coaches.....	5,736,512.99		466,575.30				6,203,088.29
Pare boxes.....	143,203.00			142.45			143,060.55
Service equipment - electric.....	42,660.24						42,660.24
Electric equipment of streetcars and trolley coaches.....	212,202.06		18,074.45				230,276.51
Shop equipment.....	737,899.03		22,545.27	935.00			759,509.30
Furniture and office equipment.....	198,198.83		6,593.45	1,623.40			203,168.88
Automotive and miscellaneous service equipment.....	281,989.82		18,316.19	4,493.61			295,812.40
Total.....	9,416,295.07		577,303.47	23,132.06			9,970,406.48
POWER:							
Substation buildings.....	314,073.34		2,440.05				316,513.39
Power plant equipment - cable cars.....	121,452.40		6,478.60				127,931.00
Substation equipment.....	465,866.60		7,043.01				472,909.61
Transmission system.....	6,734.02						6,734.02
Total.....	908,126.36		15,961.66				924,088.02
TOTAL.....	\$20,701,269.93		\$1,030,412.07	\$25,328.96			\$21,706,353.04

Reference is made to note 1 of notes to financial statements.

SAN FRANCISCO MUNICIPAL RAILWAY

UNMATURED BONDED DEBT

JUNE 30, 1963

	INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	PRINCIPAL AMOUNT OUTSTANDING JUNE 30, 1963
REHABILITATION ISSUE OF 1947:				
Series B (dated August 1, 1948).....	2%	\$560,000	August 1, 1963	\$ 560,000
Series C (dated March 1, 1949).....	1-1/2%	400,000	March 1, 1964	400,000
Series D (dated August 1, 1949).....	1-1/2%	104,000	August 1, 1963-64	208,000
Series E (dated November 1, 1949).....	1-1/2%	38,000	November 1, 1963-64	76,000
TOTAL.....				<u>\$1,244,000</u>

SAN FRANCISCO MUNICIPAL RAILWAYFINANCIAL POSITION, JUNE 30, 1963 AND 1962, AND COMPARISON

	.....JUNE 30.....		INCREASE (DECREASE)
	1963	1962	
ASSETS:			
Fixed capital (net value).....	\$10,059,414	\$11,016,126	\$ (956,712)
Cash (see Note).....	3,106,712	2,138,292	968,420
Fare box operating change fund	250,000	250,000	
Accounts receivable.....	262,295	82,922	179,373
Interfund accounts receivable.	51,867	1,286,343	(1,234,476)
Deferred charges:			
Materials and supplies.....	527,551	588,382	(60,831)
Prepaid rental of leased equipment.....	1,402,436	1,938,512	(536,076)
Commitments.....	270,000	341,000	(71,000)
Other.....	61,584	61,132	452
TOTAL.....	\$15,991,859	\$17,702,709	\$(1,710,850)
LIABILITIES:			
Bonded debt.....	\$ 1,244,200	\$ 2,779,200	\$(1,535,000)
Bond interest payable.....	8,817	20,726	(11,909)
Accounts payable, commit- ments, etc.....	2,078,581	1,881,523	197,058
Estimated liabilities.....	4,049,583	3,897,998	151,585
Deferred credits.....	24,416	9,274	15,142
Contributed surplus.....	50,045,114	43,765,255	6,279,859
Deficit from operations.....	(41,458,852)	(34,651,267)	(6,807,585)
TOTAL.....	\$15,991,859	\$17,702,709	\$(1,710,850)

NOTE: The increase in cash as of June 30, 1963 as compared with June 30, 1962 was accounted for as follows:

(See following page)

SAN FRANCISCO MUNICIPAL RAILWAY
 FINANCIAL POSITION, JUNE 30, 1963 AND 1962, AND COMPARISON

Funds provided:

Contributions from General Fund of City and County of San Francisco - from general taxes and general funds for operating expenses.....	\$ 6,279,859
Decrease in interfund accounts receivable.....	<u>1,234,476</u>
Funds provided by City and County of San Francisco.....	7,514,335
Increase in:	
Accounts payable, commitments, etc.....	\$ 197,058
Estimated liabilities.....	151,585
Deferred credits.....	<u>15,142</u>
Decrease in deferred charges.....	<u>363,785</u>
Total funds provided.....	<u>8,545,575</u>

Funds applied:

Loss for year.....	6,807,585
Noncash charges to operations:	
Depreciation.....	1,030,412
Fixed capital retired - net.....	<u>494</u>
Net funds applied to loss for year.....	<u>1,030,906</u>
Additions to fixed capital assets.....	5,776,679
Redemption of bonded debt.....	74,194
Increase in accounts receivable.....	1,535,000
Decrease in bond interest payable.....	<u>179,373</u>
Total funds applied.....	<u>11,909</u>
Total funds applied.....	<u>7,577,155</u>

Increase in cash as of June 30, 1963 as compared with June 30, 1962.....	<u>\$ 968,420</u>
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SAN FRANCISCO MUNICIPAL RAILWAY

SUPPLEMENTAL FINANCIAL INFORMATION

The following comments relate principally to certain information on balances appearing in the accompanying financial statements:

FIXED CAPITAL (LESS ACCUMULATED
DEPRECIATION, \$21,706,353.04) - \$10,055,423.98

The recorded valuation of the investment in fixed capital assets, other than construction work in progress, at June 30, 1963 and the related accumulated depreciation are set forth in Schedules 1 and 2.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for \$150,000 from General Funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway is being made as of June 30, 1963 to determine the probable useful life, the values, and the reasonable annual depreciation. This appraisal, when complete, is to be a revision of the previous appraisal made as of June 30, 1958.

In connection with the appraisal as of June 30, 1958, based on an engineering report prepared by the Public Utilities Commission Engineers, the records were adjusted to reflect the values of non-operated fixed capital assets at that date. After giving effect to subsequent changes the nonoperated track, roadway, and underground conduit, all fully depreciated, and the nonoperated equipment, substantially all depreciated, amounted to \$397,736.00 and \$466,439.41, respectively, at June 30, 1963.

Provision for depreciation is computed at rates based upon the estimated useful lives of the various classes of assets. It has been the consistent policy of first recording depreciation of an addition to fixed capital assets in the fiscal year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions and recorded retirements to fixed capital - road and equipment during the year ended June 30, 1963 are shown on Schedules 1 and 2. Additions consisted of the purchase of four used one-man electric streetcars from the St. Louis Public Service Company for \$40,739.27, the purchase and installation of seventy-four heaters in trolley coaches, \$9,350.64, and the purchase of three trucks at a cost of \$5,827.74. Recorded retirements were one motor coach destroyed by fire and scrapped (cost, \$16,147.60) and three trucks (cost, \$4,730.12) traded in on new acquisitions.

Statistical subsidiary records (unaudited) showed that revenue rolling stock was composed of the following equipment at June 30, 1963:

Streetcars (one-man):		
Owned.....	39	
Leased.....	<u>66</u>	105
Motor coaches:		
Owned.....	79	
Leased.....	<u>450</u>	529
Trolley coaches - owned.....		362
Cable cars - owned.....		<u>39</u>
Total.....		<u>1,035</u>

CASH - \$3,106,711.90

Cash at June 30, 1963 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund.....	\$3,077,543.55
1947 Municipal Railway Rehabilitation bond fund.....	8,308.35
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund....	382.50
Issue of December 1, 1913.....	277.50
Bond redemption fund - issue of December 1, 1913.....	200.00
Total on deposit with the Treasurer.....	3,086,711.90
Revolving funds.....	20,000.00
Total.....	<u>\$3,106,711.90</u>

FARE BOX OPERATING CHANGE FUND - \$250,000.00

In connection with the installation of leased locked-type fare boxes on the revenue equipment, a change fund was established in order to facilitate the handling of cash fares.

At June 30, 1963 the fund had been distributed among platform personnel, division dispatchers, and general office employees in varied amounts as required.

Substantially all of the rolling stock (with the exception of cable cars) is equipped with the locked-type fare boxes.

ACCOUNTS RECEIVABLE - \$262,295.48

The detail of accounts receivable at June 30, 1963 was as follows:

Fielder, Sorenson & Davis (advertising revenue).....	\$ 36,101.79
United States Post Office Department (balance for quarter ended June 30, 1963 under contract to furnish transportation to mail carriers).....	18,163.50
San Francisco Unified School District (charter service)..	8,643.34
Pacific Gas and Electric Company (pole rental).....	2,393.13
Job reimbursements (unbilled costs) - State of California.	196,887.66
Other.....	106.06
Total.....	<u>\$262,295.48</u>

INTERFUND ACCOUNTS RECEIVABLE - \$51,866.53

Of the above balance, \$41,593.24 represented the uncollected portion of the contribution from the General Fund of the City and County of San Francisco from general taxes.

MATERIALS AND SUPPLIES - \$527,551.04

This balance consisted of the book valuation of inventories of materials and supplies aggregating \$527,550.04 and metal tokens carried at the nominal amount of \$1.00.

Materials and supplies inventories were determined by a tabulation of perpetual inventory records as of March 31, 1963, adjusted for subsequent receipts and issues to June 30, 1963. It is the practice of the Railway to have employees make physical counts of inventories at various times during the year and to adjust perpetual inventory records to such counts. The inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

PREPAID RENTAL OF LEASED EQUIPMENT - \$1,402,435.73

The balance of prepaid rental of leased equipment at June 30, 1963 consisted of the following:

Motor coaches.....	\$ 897,990.57
Streetcars.....	277,347.87
Fare boxes.....	214,649.85
Coin sorters.....	<u>12,447.44</u>
Total.....	<u>\$1,402,435.73</u>

On May 16, 1955 a contract was entered into with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made as scheduled in the agreement over a period from December 1, 1955 to July 31, 1960. As of June 30, 1963, statistical records (unaudited) showed that 450 coaches had been received and placed in service, and that these coaches had operated 63,276,403 miles. The prepaid amount which consisted of advanced

rental, interest, freight, and use taxes, is to be applied to future operations on the basis of miles of operation. As of June 30, 1963 three fleets (totaling 240 coaches) had reached the maximum guaranteed mileage under the lease. These vehicles are now being operated under an extension to the lease at a reduced rental.

On April 24, 1957 a contract was entered into with the St. Louis Public Service Company for the lease over a period of nine years of sixty-six used one-man electric streetcars. Subsequent to June 30, 1963 the Railway exercised its option under the lease and purchased the streetcars.

A contract was entered into with Grant Money-Meters Co. on September 24, 1958 for the lease over a period of fifteen years of a minimum of 870 new electrically operated registering locked-type fare boxes. The rent aggregates approximately \$365,000, payable over six years after the dates of delivery. The prepaid balance which consisted of advanced rental and related charges is to be applied to future operations over the remaining life of the lease.

A contract with the Fitzgerald Electro-Mechanical Co. dated September 15, 1958 covers the lease for a period of nine years of six new assorters for coin counting machines all of which are in service. The prepaid balance which consisted of advanced rental and related charges is to be applied to future operations over the remaining life of the lease.

ESTIMATED LIABILITY FOR ACCIDENT
CLAIMS - \$3,549,195.61

Transactions during the year ended June 30, 1963 are summarized in the following:

Balance, July 1, 1962.....	\$3,397,856.65
Provision for accidents.....	<u>1,667,123.62</u>
Total.....	5,064,980.27
Claims paid less recoveries from insurance carriers.....	<u>1,515,784.66</u>
Balance, June 30, 1963.....	<u>\$3,549,195.61</u>

Provision for accident claims for the year ended June 30, 1963 was made on the basis of 8-1/2% of gross passenger revenue, which basis was used in the preceding five years.

The examination by Railway employees of the history of claims presented compared with claim payments indicated that the balance at June 30, 1963 in the estimated liability for accident claims appeared adequate to meet payments expected under claims unsettled at June 30, 1963.

ESTIMATED LIABILITY FOR EMPLOYEES'
COMPENSATION CLAIMS - \$500,000.00

Employee compensation claims are administered by the San Francisco City and County Employees' Retirement System. During the year ended June 30, 1963, \$114,470.27 was paid by the Retirement System and a like amount was charged to operations for employee compensation claims. The management of the Railway has estimated that the claims which are outstanding and/or unsettled at June 30, 1963 amounted to approximately \$500,000.

OPERATIONS

Operations for the year ended June 30, 1963 resulted in a loss of \$6,807,585 as compared with a loss of \$6,081,428 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	<u>...Year Ended June 30...</u>		<u>Increase</u>
	<u>1963</u>	<u>1962</u>	<u>(Decrease)</u>
Operating income:			
Passenger revenue.....	\$19,613,219	\$19,683,629	\$(70,410)
Advertising, rents, etc.....	278,326	216,278	62,048
Total.....	19,891,545	19,899,907	(8,362)
Operating expenses.....	26,554,995	25,938,772	616,223
Loss from operations.....	6,663,450	6,038,865	624,585
Other expenses.....	209,004	107,358	101,646
Total.....	6,872,454	6,146,223	726,231
Other income.....	64,869	64,795	74
Net loss.....	\$ 6,807,585	\$ 6,081,428	\$726,157

Statistical records (unaudited) showed the mileage traveled during the past two years by the various types of equipment as follows:

Type of Equipment	.....Year Ended June 30.....				Increase (Decrease) Mileage
	..... 1963.....		.....1962.....		
	Mileage	Per Cent of Total	Mileage	Per Cent of Total	
Electric street-cars.....	3,463,596	13.09	3,423,584	12.98	40,012
Motor coaches....	14,296,021	54.00	14,209,903	53.89	86,118
Trolley coaches..	8,252,049	31.17	8,278,072	31.39	(26,023)
Cable cars.....	459,675	1.74	459,575	1.74	100
Total.....	26,471,341	100.00	26,371,134	100.00	100,207

Operating income and expenses are expressed in cents per mile of operation as follows:

	.....Cents Per Mile.....		
	Year Ended June 30		Increase (Decrease)
	1963	1962	
Operating income:			
Passenger revenue.....	74.09	74.64	(.55)
Advertising, rents, etc.....	1.05	.82	.23
Total.....	75.14	75.46	(.32)
Operating expenses:			
Maintenance and repairs:			
Way and structures.....	3.21	3.22	(.01)
Equipment.....	8.77	8.94	(.17)
Total.....	11.98	12.16	(.18)
Power.....	6.23	6.43	(.20)
Conducting transportation.....	50.46	48.35	2.11
General and miscellaneous.....	14.48	13.08	1.40
Payroll taxes.....	1.70	1.53	.17
Total.....	84.85	81.55	3.30
Provision for accident claims.....	6.30	6.35	(.05)
Depreciation.....	3.89	3.95	(.06)
Rent of leased equipment.....	5.27	6.51	(1.24)
Total.....	100.31	98.36	1.95
Loss from operations.....	25.17	22.90	2.27

Operating income - passenger revenue in 1963 was \$70,410 less than in 1962. Statistical records (unaudited) indicate that there was a decrease in the number of revenue passengers carried during the current year and an increase in the average fare. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in passengers carried (578,339 times the average fare of the preceding year of \$.138631).....	\$80,171
Increase in revenue due to increase in average fare (number of revenue passengers carried during the year, 141,407,779 times the increase in average fare of \$.000069).....	9,761
Decrease in operating income - passenger revenue.....	<u>\$70,410</u>

Operating income - advertising, rents, etc. increased during the current year as a result of more space being sold on Railway operating equipment. In addition, Railway personnel performed or supervised during the current year more reimbursement jobs for others (primarily the State of California).

The increase and decrease in operating expenses for 1963 as compared with 1962 for each of the major expense classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease) ....in Operating Expenses....		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures.....	\$ (381)	\$ 15,364	\$ (15,745)
Equipment.....	(37,115)	2,869	(39,984)
Total.....	(37,496)	18,233	(55,729)
Power.....	(46,274)	4,323	(50,597)
Conducting transportation.....	607,641	594,313	13,328
General and miscellaneous.....	383,108	154,666	228,442
Payroll taxes.....	48,611		48,611
Total.....	955,590	771,535	184,055
Provision for accident claims.....	(5,986)		(5,986)
Depreciation.....	(12,235)		(12,235)
Rent of leased equipment.....	(321,146)		(321,146)
Increase (decrease) in operating expenses....	<u>\$616,223</u>	<u>\$771,535</u>	<u>\$(155,312)</u>

Total payroll costs in 1963 were greater than 1962 because of increases in rates of pay during the year ended June 30, 1963. The comparative rates applicable to the principal payroll classifications follow:

<u>Classification</u>	Number <u>Employed*</u>	<u>Period</u>	Rates Effective....During Fiscal Year....	
			1962-1963*	1961-1962
Platform men.....	1,950	Hour	\$ 2.7975	\$ 2.7012
Laborers and trackmen..	48	Day	26.60/33.00	25.80/32.20
Shop mechanics.....	19	Day	25.30/27.34	23.94
Automotive mechanics...	63	Week	137.80	137.80
Automotive machinists..	33	Week	142.80	142.80
Car cleaners.....	72	Month	358/436	325/395
Inspectors.....	70	Month	530/644	505/613
General clerks.....	102	Month	376/458	358/436

* In accordance with wage and salary ordinance for 1962-1963.

The increase in general and miscellaneous expense - other was attributable to an increase of approximately \$200,000 in the current year as compared with the prior year in the Railway's contributions to employees' retirement and health plans administered by the City and County of San Francisco.

The motor coach leases provide the Railway with an option to use the leased coaches for extended service upon expiration of the initial lease period at reduced rental costs per mile of operation. The lease for two fleets (170 coaches) was extended in February 1962 and the lease for the third fleet (70 coaches) was extended in June 1963. The decrease in rental of leased equipment of \$321,146 as shown on Exhibit B was principally the result of a year's operation of the two fleets (170 coaches) at a reduced rental cost per mile.

The Superior Court has held that certain employees of the Railway were entitled to additional wages based on a formula. During the year ended June 30, 1963 approximately \$251,000 was provided by a charge to expense for additional wages of which \$195,000 was applicable to prior periods (charged to other expenses) and \$56,000 to the current year (charged to payroll general and miscellaneous expense).



Airport Department
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1963



WEBB & WEBB
CERTIFIED PUBLIC ACCOUNTANTS
1255 POST STREET
SAN FRANCISCO 9
OROWAY 3-8021

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

October 10, 1963

The Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

We have examined the Balance Sheet of the

SAN FRANCISCO INTERNATIONAL AIRPORT

A Public Service Enterprise of the
City and County of San Francisco

at June 30, 1963, and the related Statements of Income and Surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of the San Francisco International Airport at June 30, 1963, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Attached and made part of this report are the following:

<u>Exhibit A</u>	<u>Balance Sheet</u>	<u>June 30, 1963</u>
<u>Exhibit B</u>	<u>Statement of Surplus</u>	<u>Year Ended June 30, 1963</u>
<u>Exhibit C</u>	<u>Statement of Income</u>	<u>Years Ended June 30, 1963 and 1962</u>
<u>Schedule C-1</u>	<u>Concessions, Sales and Services</u>	<u>Years Ended</u> <u>June 30, 1963 and 1962</u>
<u>Schedule C-2</u>	<u>Expenses</u>	<u>Years Ended June 30, 1963 and 1962</u>
	<u>Notes to the Financial Statements</u>	<u>Year Ended June 30, 1963</u>
<u>Exhibit D</u>	<u>Statistics</u>	<u>Years Ended as Indicated</u>

Yours very truly,

Webb & Webb
Webb & Webb

SAN FRANCISCO INTERNATIONAL AIRPORT

BALANCE SHEET

ASSETS

Fixed Assets: Note 1

In service	\$65,927,234	
Less: Accumulated depreciation	<u>15,133,499</u>	
<u>Depreciated Cost</u>	\$50,793,735	
Construction in progress	<u>13,804,150</u>	
<u>Total</u>		\$64,597,885

Current Assets:

Cash:		
On deposit with Treasurer	\$ 4,320,062	
Revolving fund	<u>2,500</u>	\$ 4,322,562
Accounts receivable:		
From revenue operations and others	\$ 673,513	
Less: Reserve for doubtful accounts	<u>62,993</u>	610,520
Interfund accounts receivable:		
Due from general City departments and funds	\$ 105	
Due from public service enterprises	<u>2,636</u>	2,741
Inventories of materials and supplies		<u>20,244</u>
<u>Total</u>		4,956,067

Other Assets:

Cash: On deposit with Treasurer		
1956 Airport Bond Fund and F.A.A. Projects	\$ 5,809,697	
1962 Airport Bond Fund	<u>9,562,777</u>	\$15,372,474
Federal grants receivable:		
Grants subject to approval by F.A.A.	\$ 1,477,593	
Less: Reserve against unapproved grants	<u>1,477,593</u>	-
Prepaid expenses		31,505
Commitments: Contra		
Airport operations	\$ 81,365	
Airport construction	<u>10,779,705</u>	<u>10,861,070</u>
<u>Total</u>		<u>26,265,049</u>

Total Assets

\$95,819,001

JUNE 30, 1963

LIABILITIES AND SURPLUSBonded Debt: Note 2

Total indebtedness	\$32,625,000	
Less: Portion maturing within one year - Below	<u>2,627,000</u>	
<u>Total</u>		\$29,998,000

Current Liabilities:

Bonded debt:		
Portion maturing within one year		\$ 2,627,000
Bond interest:		
Matured coupons not presented	\$ 33,902	
Accrued, due after July 1, 1963	<u>276,195</u>	310,097
Accounts payable and commitments:		
Warrants outstanding	\$ 191,584	
Payroll deductions payable	2,122	
Accounts payable	79,895	
Commitments - Contra	<u>878,268</u>	1,151,869
Interfund accounts payable:		
Due general City departments and funds	\$ 34,548	
Due public service enterprises	<u>45,648</u>	<u>80,196</u>
<u>Total</u>		4,169,162

Other Liabilities:

Accounts payable and commitments:		
Airport construction		
Warrants outstanding	\$ 472,546	
Accounts payable	1,200,617	
Commitments - Contra	<u>9,982,802</u>	\$11,655,965
Interfund accounts and loans payable:		
Airport construction		
Due public service enterprises		70,810
Reserves and deferred credits:		
Prepaid revenues - Note 3	\$ 326,178	
Deferred credits	<u>190</u>	<u>326,368</u>
<u>Total</u>		<u>12,053,143</u>
<u>Total Liabilities</u>		\$46,220,305

Surplus - Exhibit B49,598,696Total Liabilities and Surplus\$95,819,001

SAN FRANCISCO INTERNATIONAL AIRPORTEXHIBIT BSTATEMENT OF SURPLUSYEAR ENDED JUNE 30, 1963

Balance - July 1, 1962		\$45,967,582
Net income - Exhibit C		2,665,868
<u>Contributions:</u>		
Federal Grants - F.A.A.	\$963,150	
State of California - Special Aviation Fund	<u>2,096</u>	<u>965,246</u>
<u>Balance - June 30, 1963</u>		<u>\$49,598,696</u>

SAN FRANCISCO INTERNATIONAL AIRPORTEXHIBIT CSTATEMENT OF INCOMEYEARS ENDED JUNE 30, 1963 AND 1962

	<u>1963</u>	<u>1962</u>
<u>Revenue:</u>		
<u>Aviation Activities:</u>		
Air carrier flight operations	\$1,607,636	\$1,433,118
Rents:		
Aircraft outdoor storage	\$ 22,150	\$ 14,932
Paved and unimproved areas	236,582	184,947
Hangars	35,942	35,942
Office space - Passenger terminal building	1,032,416	975,357
- Air mail and cargo building	307,392	307,416
Other buildings and structures	67,831	68,048
	<u>\$1,702,313</u>	<u>\$1,586,642</u>
Aviation fuel and oil:		
Wharfage charges and tank farm rental	\$ 147,949	\$ 136,856
Delivery permits and pipe line licenses	29,526	30,293
	<u>\$ 177,475</u>	<u>\$ 167,149</u>
<u>Total - Aviation activities</u>	<u>\$3,487,424</u>	<u>\$3,186,909</u>
Concessions - Schedule C-1	2,970,611	2,722,272
Sales and services - Schedule C-1	294,232	272,794
	<u>\$6,752,267</u>	<u>\$6,181,975</u>
<u>Total Revenue</u>	<u>\$6,752,267</u>	<u>\$6,181,975</u>
<u>Expenses: - Schedule C-2</u>		
Administrative expenses	\$ 783,057	\$ 841,297
Maintenance expense	415,083	371,660
Operating expenses	1,547,735	1,409,708
<u>Total Expense before Depreciations</u>	<u>\$2,745,875</u>	<u>\$2,622,665</u>
Depreciation	1,432,904	1,352,548
	<u>\$4,178,779</u>	<u>\$3,975,213</u>
<u>Total Expenses</u>	<u>\$4,178,779</u>	<u>\$3,975,213</u>
<u>Net Operating Income</u>	<u>\$2,573,488</u>	<u>\$2,206,762</u>
<u>Other Income and (Expense):</u>		
Miscellaneous claims and refunds	\$ 7,864	\$ 1,044
Net (Loss) on sale or abandonment of fixed assets	(215,895)	59,652
Settlement of disputed revenues	207,407	-
Adjustment of previous year's revenue and expenses	93,004	5,695
<u>Total</u>	<u>\$ 92,380</u>	<u>\$ 66,391</u>
<u>Net Income - Exhibit B</u>	<u>\$2,665,868</u>	<u>\$2,273,153</u>

SAN FRANCISCO INTERNATIONAL AIRPORT

SCHEDULE C-1

CONCESSIONS, SALES AND SERVICES

YEARS ENDED JUNE 30, 1963 AND 1962

	1963	1962
<u>Concessions:</u>		
Restaurant, bar and allied services	\$ 493,637	\$ 478,399
News, tobacco and gift shops	177,606	172,591
Stores - Miscellaneous retail	21,831	20,904
Hotel	102,807	110,007
Auto renting	743,176	642,141
Limousine, taxi and bus	252,082	233,049
Automobile service station	43,569	44,744
Parking lots	899,866	828,674
Locker rentals	29,779	25,831
Telephone commissions	33,805	26,359
Rest rooms	27,305	25,462
Sale of petroleum products	82,993	64,160
Advertising	37,184	28,200
Others	24,971	21,751
<u>Total - Exhibit C</u>	<u>\$2,970,611</u>	<u>\$2,722,272</u>
<u>Sales and Services:</u>		
Electric energy - Schedule below	\$ 205,838	\$ 183,173
Water - Schedule below	12,476	11,585
Steam	7,008	6,188
Sewage disposal	29,001	28,388
Rental of airport autos	4,712	5,155
Parking meters	34,705	36,889
Miscellaneous	492	1,416
<u>Total - Exhibit C</u>	<u>\$ 294,232</u>	<u>\$ 272,794</u>
<u>Electric Energy:</u>		
Sales	\$ 680,421	\$ 654,229
Cost of sales	474,583	471,056
<u>Gross Margin</u>	<u>\$ 205,838</u>	<u>\$ 183,173</u>
<u>Water:</u>		
Sales	\$ 100,836	\$ 98,351
Cost of sales	88,360	86,766
<u>Gross Margin</u>	<u>\$ 12,476</u>	<u>\$ 11,585</u>

SAN FRANCISCO INTERNATIONAL AIRPORT

SCHEDULE C-2

EXPENSES

YEARS ENDED JUNE 30, 1963 AND 1962

	<u>1963</u>	<u>1962</u>
<u>Administrative Expenses:</u>		
Salaries and wages	\$ 85,673	\$ 87,161
Pension, retirement and other additives	16,832	14,639
Insurance	62,989	78,832
Dues and subscriptions	3,908	3,855
Interest	319,722	399,243
Real estate taxes	\$94,254	
Less: Charges to tenants	<u>9,452</u>	84,802
Employee transportation	17,129	18,338
Travel, conventions and conferences	6,577	4,055
Printing, stationery and postage	8,117	7,196
Legal and professional services	34,833	17,528
P.U.C. general office expense	112,853	107,499
Miscellaneous contractual expenses	517	594
Bad debts	4,800	4,220
Telephone and telegraph	\$31,274	
Less: Charges to tenants	<u>11,492</u>	19,782
Other administrative expenses	<u>4,523</u>	<u>4,859</u>
 <u>Total - Exhibit C</u>	 <u>\$ 783,057</u>	 <u>\$ 841,297</u>

<u>Maintenance Expense:</u>		
Salaries and wages	\$ 219,347	\$ 217,162
Pension, retirement and other additives	19,740	20,586
Maintenance - Airfield paved areas	42,105	24,414
- Radio and lighting equipment	13,188	3,519
- Buildings	48,604	40,496
- Drainage and sewage systems	7,990	3,640
- Electric power and water systems	6,427	6,982
- Automobiles and other facilities	26,629	26,185
Operating supplies and materials	17,917	16,691
Purchasing department expense	<u>13,136</u>	<u>11,985</u>
 <u>Total - Exhibit C</u>	 <u>\$ 415,083</u>	 <u>\$ 371,660</u>

<u>Operating Expenses:</u>		
Salaries and wages	\$ 921,657	\$ 829,230
Pension, retirement and other additives	82,289	78,373
Fire department services	288,462	279,977
Services - Bureau of Engineering	121,800	91,339
Utilities	118,256	114,865
Lease expense - Heliport	9,166	10,000
Refuse disposal	\$13,302	
Less: Charges to tenants	<u>7,454</u>	5,848
Other operating expenses	<u>257</u>	<u>734</u>
 <u>Total - Exhibit C</u>	 <u>\$1,547,735</u>	 <u>\$1,409,708</u>

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1963

Note 1 Exhibit A - Fixed Assets:

Fixed assets are stated substantially at cost. The Charter of the City and County of San Francisco provides in Section 128 that there shall be an appraisal every five years of the estimated remaining life and the depreciated value of the property in order to ascertain reasonable annual depreciation. An appraisal is presently being conducted at June 30, 1963 and will be completed during the fiscal year ending June 30, 1964.

Construction in progress at June 30, 1963 includes the Southern Terminal Complex and the improvements to Pier C of the Central Terminal Building. At June 30, 1963 there was in excess of \$11,000,000 expended on these projects. At the end of September, 1963 they were virtually completed.

Note 2 Exhibit A - Bonded Debt:

\$9,800,000 of Airport Bonds were sold on April 1, 1963. The purpose of the issue was the construction of public parking and garage facilities at the San Francisco International Airport.

The following is a schedule of the unmatured bonded debt of the San Francisco International Airport at June 30, 1963.

	<u>Unmatured Balances</u> <u>at June 30, 1963</u>	
<u>1945 Airport Bonds:</u>		
Series E November 1, 1948 - 1 1/4% to 1 1/2%	\$ 192,000	
Series F September 1, 1950 - 1 1/4% to 1 1/2%	<u>231,000</u>	\$ 423,000
<u>1949 Airport Bonds:</u>		
Series A September 1, 1950 - 1 1/4%	\$ 792,000	
Series B June 1, 1951 - 1 3/4%	<u>435,000</u>	1,227,000

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1963

	Unmatured Balances at June 30, 1963
<u>1956 Airport Bonds:</u>	
Series A November 1, 1957 - 3% to 6%	\$2,120,000
Series B May 1, 1958 - 2 1/4% to 2 1/2%	5,500,000
Series C February 1, 1960 - 3 1/4% to 6%	1,610,000
Series D July 1, 1961 - 2 1/2% to 5%	7,000,000
Series E March 1, 1962 - 2 1/4% to 4%	<u>4,945,000</u>
	21,175,000
<u>1962 Airport Bonds:</u>	
Series A April 1, 1963 - 2% to 6%	<u>9,800,000</u>
<u>Total Unmatured Bonded Debt</u>	<u>\$32,625,000</u>

Bonds mature serially. Scheduled redemptions of all outstanding issues are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>	<u>Year Ending June 30</u>	<u>Amount</u>
1964	\$ 2,627,000	1972	\$ 2,410,000
1965	2,627,000	1973	2,305,000
1966	2,536,000	1974	1,785,000
1967	2,050,000	1975	1,785,000
1968	2,600,000	1976	1,650,000
1969	2,600,000	1977	1,650,000
1970	2,600,000	1978	<u>800,000</u>
1971	2,600,000		
			<u>\$32,625,000</u>

Note 3 Exhibit A - Prepaid Revenues - \$326,178

The above amount comprises the following:

Prepaid rentals from 1 to 12 months	\$ 17,503
Tenants improvements:	
Pan American Airways	\$301,188
Airborne Freight Corporation	<u>7,487</u>
	<u>308,675</u>
<u>Total</u>	<u>\$326,178</u>

Pan American Airways incurred \$348,461 of contract costs for fill on plot 1. This cost is being reimbursed by amortization against monthly lease payments due from Pan American Airways. This cost will be fully amortized by September 1969.

SAN FRANCISCO INTERNATIONAL AIRPORT

EXHIBIT D

STATISTICS - NOTE A

YEARS AS INDICATED

	June 30, 1963	June 30, 1962	Increase (Decrease)	% of Increase (Decrease)
Aircraft arrivals and departures, including extra sections, as reported by the Federal Aviation Agency, Airport Traffic Control Tower:				
Carriers	164,061	151,982	12,079	7.9
Itinerent	43,765	49,797	(6,032)	(12.1)
Local	18,017	18,793	(776)	(4.1)
<u>Totals</u>	<u>225,843</u>	<u>220,572</u>	<u>5,271</u>	2.4
Number of passengers as reported by air carriers: Note B				
On and off	5,798,982	5,138,095	660,887	12.9
Through (No stopovers)	553,407	568,545	(15,138)	2.7
<u>Totals In and Out</u>	<u>6,352,389</u>	<u>5,706,640</u>	<u>645,749</u>	11.3
Airmail, express and freight, in pounds on and off as reported by various air carriers:				
Airmail - Note C	71,793,443	67,039,635	4,753,808	7.1
Express	11,717,707	10,489,453	1,228,254	11.7
Freight	150,420,752	136,989,358	13,431,394	9.8
<u>Totals</u>	<u>233,931,902</u>	<u>214,518,446</u>	<u>19,413,456</u>	9.0

Note A This statistical data is presented without verification.

Note B Excludes activities of non-scheduled air carriers which operate only seasonally or which use the San Francisco International Airport only intermittently.

Note C Includes first class mail sent by air:

June 30, 1962	14,393,306
June 30, 1963	15,261,194

San Francisco School Department
(A Unified School District)



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1963



HAROLD T. HOERTKORN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

24 CALIFORNIA STREET
SAN FRANCISCO 11

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

HAROLD T. HOERTKORN, C. P. A.
ALVIN J. KOPP, C. P. A.

September 30, 1963

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
SAN FRANCISCO, California

Dear Sir:

In accordance with your instructions, we have examined the accounts, records, and financial statements of the San Francisco Unified School District for the fiscal year ended June 30, 1963. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statement of Unappropriated Balance and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1963 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Financial Statements included herein are as follows:

- Exhibit "A" - Balance Sheet as of
June 30, 1963
- Schedule "A-1" - Balance Sheet of the
Special Funds as of
June 30, 1963
- Schedule "A-2" - Balance Sheet of the
Trust Funds as of
June 30, 1963

Honorable Harry D. Ross,
Controller

- 2.

- Exhibit "B" - Statement of Unappropriated
Balance - Current Fund for
the Fiscal Year ended
June 30, 1963
- Exhibit "C" - Current Fund - Comparative
Statement of Revenue and
Expenditures for the Fiscal
Years ended June 30, 1963
and 1962
- Schedule "C-1" - Comparative Statement of
Current Fund Revenues for the
Fiscal Years ended June 30,
1963 and June 30, 1962
- Notes to Financial Statements, June 30, 1963
- General Comments

Sincerely yours,

HAROLD T. HOERTKORN & CO.



Harold T. Hoertkorn
Certified Public Accountant

GENERAL COMMENTS - BALANCE SHEET - EXHIBIT "A"

CASH - \$14,972,381: Comprises the aggregate of School Fund Balances on deposit with the Treasurer, Cash Transfers Outstanding, Revolving Funds, the Hume Foundation, together with the Bond Interest and Redemption Funds, applicable to School Bonds issued by the City and County of San Francisco.

An analysis of the cash balances at June 30, 1963, are as follows:

Balances on Deposit with Treasurer:

Current Fund (Exhibit "A")		\$ 9,591,869
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Capital Funds: (Exhibit "A")		
1948 School Bond Fund	\$ 227,921	
1956 School Bond Fund	1,866,080	
Real Property Fund	<u>548,901</u>	2,642,902

Special Funds: (Schedule "A-1")		
Child Care Centers	\$ 202,483	
School Cafeterias	451,131	
Balances in the Bond Interest and Redemption Funds of the City and County of San Francisco	<u>28,497</u>	682,111

Trust Funds: (Schedule "A-2")		
Withholding Tax	\$1,219,821	
Teachers' Annuity	34,480	
Teachers' Retirement	41,226	
Fund for Advancement of Education	12,047	
Miranda Lux Foundation	5,278	
Ann Steinberg Trust	268	
George Wilson Meyer Collection	9,443	
Will C. Steinbrunn Bequest	28,101	
Veterans' Education	35	
Nell V. O'Connell	<u>9,156</u>	1,359,855

Cash Transfers Outstanding (Exhibit "A")		677,483
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Revolving Funds: (Exhibit "A")		
School District	\$ 15,000	
Cafeteria	<u>3,000</u>	18,000

Hume Foundation Trust Fund - deposited in Wells Fargo Bank (Exhibit "A")		<u>161</u>
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TOTAL CASH - June 30, 1963		<u>\$14,972,381</u>
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Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn before July 1, 1963, but not presented to the Treasurer for payment before July 1, 1963, are shown as liabilities of the various funds in Exhibit "A".

Cash transfers outstanding represent the aggregate of amounts in transfers between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1963, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE: \$1,164,350, represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1963, as follows:

Current Funds:

Delinquent Taxes and Penalties	\$1,100,996	
<u>Less: Reserve for Unsecured Taxes</u>	<u>712,569</u>	\$ 388,427

Other Accounts Receivable:

Tuition due from other Counties and Districts - Amount due, but not billed at June 30, 1963	\$ 242,180	
Tuition for prior years, not collected	482	
Grants receivable from Hotel and Restaurant Foundation and Statler Foundation	150,000	
Federal subvention for aid to local education - estimated	116,114	
Federal subvention for vocational training of Veterans	12,386	
Federal Aid under National Defense Program	50,206	
Federal Aid under Manpower Development Training Act	82,782	
Due from Health Service System	15,205	
Disputed Salary payments of prior years, recoverable at termination of employment	7,528	
Miscellaneous	<u>7,135</u>	684,018

Child Care Center:

Delinquent Taxes and Penalties	\$ 5,446	
<u>Less: Reserve for Unsecured Taxes</u>	<u>3,326</u>	
	\$ 2,120	
State Apportionment	17,100	
Other	<u>2,318</u>	21,538

School Cafeterias:

Federal Grant	\$ 52,924	
Undeposited Sales Receipts	15,461	
Miscellaneous	<u>1,982</u>	<u>70,367</u>

TOTAL ACCOUNTS RECEIVABLE - June 30, 1963		<u>\$1,164,350</u>
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Secured Taxes and Penalties have been recorded as assets and have been credited to income when assessed. All other Accounts Receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income when received.

INVENTORY - STORES - AT COST: \$778,228, comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1962, January 31, 1963, February 28, 1963, and March 31, 1963. The general ledger accounts were nominally adjusted to agree with the physical inventories.

INVENTORY - SHOP - AT COST: \$38,914, comprises the following:

Refinished Furniture, not reissued	\$ 9,837
Shop orders in process of completion	352
Materials and Supplies	<u>28,725</u>

Total Inventory - Shop - June 30, 1963	<u>\$38,914</u>
--	-----------------

INVENTORY - CAFETERIA: \$68,989, represents a physical inventory at cost of food and other supplies. Verification was made of the method of pricing arithmetical extensions and inventory count procedures.

FIXED CAPITAL PROPERTIES: \$140,787,921, is the aggregate recorded valuation of land, buildings, improvements and equipment as shown by the Controller's records as of June 30, 1963. Net additions during the fiscal year ended June 30, 1963, and the accumulated ledger values are summarized as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings & Improvements</u>	<u>Equipment</u>
Additions Per School District Records:				
1956 School Bond Fund	\$ 3,705,291	\$ -	\$ 3,344,251	\$ 361,040
Real Property Fund	83,872	83,872	-	-
Current Fund	912,104	2,171	248,305	661,628
Child Care Centers Fund	3,440	-	-	3,440
County School Service Fund	6,163	-	-	6,163
Trust Funds	<u>218</u>	<u>-</u>	<u>-</u>	<u>218</u>
Total Additions	\$ 4,711,088	\$ 86,043	\$ 3,592,556	\$ 1,032,489

Deductions:

Net Reduction due to Properties sold or otherwise disposed of	<u>133,646</u>	<u>103,139</u>	<u>2,095</u>	<u>28,412</u>
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Net additions per Controller's records for the fiscal year ended June 30, 1963	\$ 4,577,442	\$ (17,096)	\$ 3,590,461	\$ 1,004,077
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Additions:

Accumulated ledger values at July 1, 1962	<u>136,210,479</u>	<u>14,622,869</u>	<u>108,592,683</u>	<u>12,994,927</u>
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TOTALS - Jun 30, 1963 (Per Controller's Records - Exhibit "A")	<u>\$140,787,921</u>	<u>\$14,605,773</u>	<u>\$112,183,144</u>	<u>\$13,999,004</u>
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At June 30, 1963, Fire and General Coverage Insurance in force on the School District Properties was \$180,332,100.

BOND INTEREST PAYABLE AND ACCRUED: \$263,603 represents:

Matured coupons - Not presented by Bondholders	\$ 5,497
Interest accrued - not due at June 30, 1963	<u>258,106</u>
Total	<u>\$263,603</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and Interest shown thereon are a general obligation of the City and County of San Francisco. This practice is consistent with prior years, where the bonds and interest are part of the Balance Sheet, Exhibit "A", as the obligations were incurred for acquisition of Fixed Properties of the School District. The interest accrued of \$258,106, but not due as of June 30, 1963, is recorded as a deferred charge at June 30, 1963.

BONDED DEBT: \$38,573,000, is the aggregate of School Bonds outstanding at June 30, 1963, after considering the redemptions during the fiscal year ended June 30, 1963, as shown by the Controllers' records, as follows:

	<u>Interest Rate</u>	<u>July 1, 1962</u>	<u>Redeemed</u>	<u>Balance June 30, 1963</u>
<u>AUTHORIZED & ISSUED:</u>				
Issued March 1, 1923	5.00%	\$ 1,503,000	\$ 285,000	\$ 1,218,000 *
<u>AUTHORIZED IN 1948:</u>				
<u>Issued:</u>				
April 1, 1951-B	1.75%	3,080,000	765,000	2,315,000 **
March 1, 1952-C	1.50%	4,450,000	890,000	3,560,000
Dec. 1, 1952-D	1.75%	6,705,000	1,115,000	5,590,000
Aug. 1, 1953-E	2.50%	2,240,000	320,000	1,920,000
Mar. 1, 1954-F	1.25%	200,000	200,000	-
Mar. 1, 1954-F	1.50%	800,000	-	800,000
Mar. 1, 1954-F	1.75%	400,000	-	400,000
Apr. 1, 1955-G	1.75%	2,755,000	345,000	2,410,000
Apr. 1, 1957-H	2.50%	665,000	65,000	600,000
<u>AUTHORIZED IN 1956:</u>				
<u>Issued:</u>				
Nov. 1, 1957-A	3.00%	4,400,000	400,000	4,000,000
Dec. 1, 1958-B	2.50%	500,000	250,000	250,000
Dec. 1, 1958-B	2.75%	750,000	-	750,000
Dec. 1, 1958-B	3.00%	500,000	-	500,000
Dec. 1, 1958-B	3.00%	1,225,000	-	1,225,000
June 1, 1959-C	3.00%	180,000	60,000	120,000
June 1, 1959-C	3.25%	540,000	-	540,000
Feb. 1, 1960-D	4.00%	315,000	315,000	-
Feb. 1, 1960-D	3.50%	930,000	-	930,000
Feb. 1, 1960-D	3.25%	2,825,000	-	2,825,000
Oct. 1, 1960-E	6.00%	335,000	335,000	-
Oct. 1, 1960-E	2.25%	1,005,000	-	1,005,000
Oct. 1, 1960-E	2.50%	1,005,000	-	1,005,000
Oct. 1, 1960-E	2.75%	670,000	-	670,000
Oct. 1, 1960-E	3.00%	1,650,000	-	1,650,000
July 1, 1961-F	5.00%	340,000	170,000	170,000
July 1, 1961-F	2.50%	840,000	-	840,000
July 1, 1961-F	2.75%	330,000	-	330,000
July 1, 1961-F	3.00%	495,000	-	495,000
July 1, 1961-F	3.25%	495,000	-	495,000
Mar. 1, 1962-G	4.00%	280,000	140,000	140,000
Mar. 1, 1962-G	2.25%	560,000	-	560,000
Mar. 1, 1962-G	2.50%	280,000	-	280,000
Mar. 1, 1962-G	2.75%	700,000	-	700,000
Mar. 1, 1962-G	3.00%	280,000	-	280,000
		<u>\$44,228,000</u>	<u>\$5,655,000</u>	<u>\$ 38,573,000</u>

* Includes \$18,000 matured but unpaid as of June 30, 1963

** Includes \$ 5,000 matured but unpaid as of June 30, 1963

REVENUES AND EXPENDITURES

A comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal year ended June 30, 1963, and June 30, 1962, is presented in Exhibit "C" and Schedule "C-1". The following is a summary of the Comparative Statements:

	<u>June 30, 1963</u>	<u>June 30, 1962</u>	<u>Increase (Decrease)</u>
Property Taxes and Penalties *	\$36,392,008	\$32,445,000	\$ 3,947,008
State of California -			
School Fund Apportionment	14,761,176	14,586,214	174,962
Retirement Subventions	1,863,328	1,872,413	(9,085)
Other Revenues	<u>2,159,047</u>	<u>2,098,197</u>	<u>60,850</u>
Total Revenues - Schedule "C-1"	\$55,175,559	\$51,001,824	\$ 4,173,735
<u>Less:</u> Total Operating Expenses	<u>54,238,422</u>	<u>49,563,606</u>	<u>4,674,816</u>
Balance	\$ 937,137	\$ 1,438,218	\$ (501,081)
<u>Less:</u> Net Capital Outlays from Current Funds (Per Exhibit "C")	<u>912,104</u>	<u>902,870</u>	<u>9,234</u>
Excess of Revenue over Expenditures	<u>\$ 25,033</u>	<u>\$ 535,348</u>	<u>\$ (510,315)</u>

* The School District Tax Rates for the General Fund and assessed valuations for the tax years 1961-62 and 1962-63 were as follows:

1961-1962 Tax Rate \$2.162079; assessed valuation \$1,482,218,908

1962-1963 Tax Rate \$2.402535; assessed valuation \$1,530,624,299

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, certain excess expenses of the educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1963, was as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City Colleges</u>
Average daily attendance - residents - See Notes 1 and 2	104,519	66,340	31,392	6,787
\$125.00 per Pupil	\$13,057,875	\$8,292,500	\$3,924,000	\$841,375 *
<hr/>				
<u>Apportionment for Excess expense of educating handicapped children:</u>				
Physically handicapped -				
Average daily attendance	800	615	185	
Extra Expense	\$ 729,778	\$ 561,017	\$ 168,761	
Mentally Retarded -				
Average daily attendance	1,357	831	526	
Extra Expense	\$ 508,878	\$ 311,627	\$ 197,251	
Severely Mentally Retarded -				
Average daily attendance	145	145		
Extra Expense	\$ 97,150	\$ 97,150		
Transportation Expense of certain handicapped children	473	473		
Extra Expense	\$ 173,729	\$ 173,729		
Total for Handicapped Children	\$ 1,509,535	\$1,143,523	\$ 366,012	
<hr/>				
Apportionment for Special program for Mentally Gifted	\$ 46,020	-	\$ 46,020	
<hr/>				
Automobile Driver Training -				
Number of Pupils trained	3,518		3,518	
Apportionment	\$ 147,746	-	\$ 147,746	
<hr/>				
Total State Apportionments	\$14,761,176	\$9,436,023	\$4,483,778	\$841,375
<hr/>				

* Reflects adjustment of \$7,000 due to apportionment credited to District of Residence rather than District of attendance. District of Residence billed for full cost of student attendance at City College.

Explanatory Notes -

1. Attendance and apportionment data applicable to evening schools and the continuation school are included under high schools.
2. Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed is that of the year ended June 30, 1962.

A comparison of the average daily attendance for the past three years follows:

	<u>1962-63</u>	<u>1961-62</u>	<u>1960-61</u>
Elementary Schools	65,836	66,340	66,360
High Schools	33,318	31,392	30,170
City College	<u>6,990</u>	<u>6,787</u>	<u>6,509</u>
Totals	106,144	104,519	103,039

We examined the reports submitted to the State Department of Education as a basis for the State Apportionment for the fiscal year 1962-63 and have tested the records in support thereof to state that in our opinion they fairly represented the average daily attendance during the fiscal year ended June 30, 1963.

The average daily attendance during the fiscal year ended June 30, 1963 will be the basis for apportionment for the fiscal year ending June 30, 1964 as follows:

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>College</u>
Total average daily attendance	106,144	65,836	33,318	6,990
Handicapped Children -				
Physically handicapped	751	576	175	
Mentally Retarded	1,398	848	550	
Severely Mentally Retarded	137	137		
Automobile driver training, number of pupils trained	3,994		3,994	

CHILD CARE CENTERS

Twenty-five Child Care Centers were operated during the fiscal year ended June 30, 1963, with a total enrollment of 1,368 children at June 30, 1963. The average daily attendance during the fiscal year ended June 30, 1963 was 1,252. The total hours of child attendance for the years ended June 30, 1963 and June 30, 1962 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1963</u>	<u>June 30, 1962</u>	<u>(Decrease)</u>
Hours of Attendance:			
Nursery (under 5 years, 9 months)	1,124,990	1,102,487	\$ 22,503
School Age (Over 5 years, 9 months)	<u>1,126,233</u>	<u>1,119,431</u>	<u>6,802</u>
Total Hours of Attendance	<u>2,251,223</u>	<u>2,221,918</u>	<u>29,305</u>

A comparative statement of Revenue and Expenditures of Child Care Centers for the fiscal years ended June 30, 1963 and June 30, 1962 follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1963</u>	<u>June 30, 1962</u>	<u>(Decrease)</u>
<u>REVENUES:</u>			
State Apportionment	\$ 557,200	\$ 578,817	\$ (21,617)
Fees from Parents	409,638	378,153	31,485
District Taxes	229,543	183,898	45,645
Transfers from General Fund	57,244	52,348	4,896
Federal Grants	10,539	10,935	(396)
Miscellaneous	<u>4</u>	<u>2,292</u>	<u>(2,288)</u>
Total Revenues	<u>\$1,264,168</u>	<u>\$1,206,443</u>	<u>\$ 57,725</u>
<u>EXPENDITURES:</u>			
Administration	\$ 86,000	\$ 83,389	\$ 2,611
Instruction	751,473	697,500	53,973
Auxiliary Services	20,243	19,660	583
Operation	184,455	167,633	16,822
Maintenance	30,445	34,061	(3,616)
Fixed Charges	76,328	66,711	9,617
Food	182,850	186,303	(3,453)
Capital Outlay	<u>3,440</u>	<u>8,827</u>	<u>(5,387)</u>
Total Expenditures	<u>\$1,335,234</u>	<u>\$1,264,084</u>	<u>\$ 71,150</u>
Excess of Expenditures over Revenues	<u>\$ (71,066)</u>	<u>\$ (57,641)</u>	<u>\$ 13,425</u>

COUNTY SCHOOL SERVICE FUND

The Revenue and Expenditures of the County School Service Fund for the year ended June 30, 1963 were as follows:

Revenue:

From State Apportionment	\$137,394
From San Francisco Unified School District	<u>102,450</u>
Total Revenue	<u>\$239,844</u>

Expenditures:

Office of County Superintendent of Schools	\$ 12,992
Screening and Directing Teachers	12,376
Audio-Visual Education	204,900
Library Service	7,000
Teachers' Institute	<u>2,576</u>
Total Expenditures	<u>\$239,844</u>

CAFETERIAS

46 complete cafeterias units and 23 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1963. A comparative statement of income and expenditures of the school cafeteria for the fiscal years ended June 30, 1963 and June 30, 1962 as follows:

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30, 1963</u>	<u>June 30, 1962</u>	<u>(Decrease)</u>
<u>Revenues:</u>			
Sales - Cafeterias	\$1,764,190	\$1,703,595	\$ 60,595
Sales - Mid-Morning Lunches	142,312	152,767	(10,455)
Federal Grants	<u>305,521</u>	<u>300,346</u>	<u>5,175</u>
Total Revenues	<u>\$2,212,023</u>	<u>\$2,156,708</u>	<u>\$ 55,315</u>
<u>Expenditures:</u>			
Cost of Food	\$1,330,905	\$1,320,977	\$ 9,928
Salaries	634,511	579,295	55,216
Meals for Student Help	25,164	23,853	1,311
Supplies and Expenses	76,177	77,183	(1,006)
Provision for Sick Leave and Vacations	<u>106,180</u>	<u>93,107</u>	<u>13,073</u>
Total Expenditures	<u>\$2,172,937</u>	<u>\$2,094,415</u>	<u>\$ 78,522</u>
Excess of Revenues over Expenditures	<u>\$ 39,086</u>	<u>\$ 62,293</u>	<u>\$ (23,207)</u>

ACADEMIC ATHLETIC ASSOCIATION

Receipts and Disbursements of this student body activity during the fiscal year ended June 30, 1963 are as follows:

Cash available - July 1, 1962 \$ 4,493

<u>Add:</u>	<u>Receipts:</u>		
	Admission Fees	\$31,381	
	Miscellaneous	<u>212</u>	<u>31,593</u>
			\$36,086

<u>Less:</u>	<u>Expenses in Connection with Activities:</u>		
	Football	\$14,055	
	Basket Ball	8,828	
	Swimming	886	
	Track	1,585	
	Baseball	103	
	Soccer	376	
	Tennis and Golf	63	
	Miscellaneous	<u>889</u>	<u>26,785</u>

<u>Less:</u>	Distributions to Schools	\$ 9,301
		<u>4,948</u>

Balance - June 30, 1963 - In Trust \$ 4,533

The balance of this fund at June 30, 1963 is deemed to be held in Trust for the Schools participating in the Academic Athletic Association.

STUDENT BODY FUNDS

The student body funds and accounting records of the funds are maintained at the schools and are subject to internal audit of regular intervals by the School District Administrative Office. We review the audit program and working papers of audits made during the fiscal year and find them comprehensive and adequate.

The student body funds include Medal Funds which were established in the years 1879 through 1906 with the purpose of awarding medals to worthy students. There has been no activity in these funds for thirty years. These funds, and balances as of June 30, 1963, are as follows:

Bridge Silver Medal Fund	\$ 7,216.62
Hancock Grammar School Medal Fund	426.63
Lincoln School Medal Fund	2,186.59

Inasmuch as these funds are dormant and merely accumulating interest, we recommend that the School District take appropriate action to utilize these funds for a worthy purpose.

FUND FOR THE ADVANCEMENT OF EDUCATION - GREAT CITIES PROJECT

Balance - July 1, 1962	\$ 15,128
<u>Add: Additional Grant</u>	<u>90,000</u>
	\$105,128

Less: Expenditures:

Payroll	\$100,866	
Consultant's Fees'	<u>2,286</u>	<u>103,152</u>
Balance - June 30, 1963		\$ 1,976
<hr/>		
Treasurer's Balance - June 30, 1963		\$ 12,047
<u>Less: Amount due San Francisco Unified</u>		
School District	\$ 9,571	
Encumbrances	<u>500</u>	<u>10,071</u>
Balance - June 30, 1963		\$ 1,976
<hr/>		

This fund was established on December 2, 1960 by terms of a grant from the Ford Foundation with the purpose to develop solutions for the reading and language problems of culturally deprived youths in selected Elementary, Junior and Senior High Schools. The basic aim of the project is to improve the economic attainment of students by raising the level of school endeavor and encouraging increased education. This will result in better job opportunities upon leaving school than would otherwise be available.

An additional grant of \$50,000.00 will be available for the next fiscal period.

MIRANDA LUX FOUNDATION TRUST FUND

The transactions in this fund during the fiscal year ended June 30, 1963 are summarized as follows:

Balance - July 1, 1962	\$ 6,798
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Less: Expenditures:

Supervisors' and Teachers' Salaries	\$ 103	
Supplies and Other Expenses	<u>1,719</u>	<u>1,822</u>

Balance - June 30, 1963	<u>\$ 4,976</u>
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The above balance consists of the following:

Cash on Deposit with the Treasurer	\$ 5,278
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<u>Less:</u> Amount due San Francisco		
Unified School District	\$ 103	
Warrants Outstanding	12	
Accounts Payable	<u>187</u>	<u>302</u>

Balance - June 30, 1963 - Per Schedule "A-2"	<u>\$ 4,976</u>
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This fund was established on April 3, 1956 when the School District accepted a Grant of \$75,000.00 to establish a scientific laboratory at the Polytechnic High School. The Grant was received by the School District in three equal annual installments of \$25,000.00 commencing in 1956.

A second fund was established on February 6, 1959 which established a grant of \$90,000.00 payable in annual installments of \$30,000.00. The purpose is to establish and operate a bio-Chemistry Laboratory at Galileo High School.

An additional Grant of \$5,000.00 was received June 14, 1962, to cover the budget of bio-Chemistry laboratory at Galileo High School.

WILLIAM C. STEINBRUNN BEQUEST

The transactions in this fund during the fiscal year ended June 30, 1963, are summarized as follows:

Cash on Deposit with Treasurer - July 1, 1962	\$27,140
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Add: <u>Receipts:</u>	
Bank Interest	<u>961</u>

Cash on Deposit with Treasurer - June 30, 1963	<u>\$28,101</u>
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This fund represents a bequest of William C. Steinbrunn to the City and County of San Francisco for Educational purposes.

NELL V. O'CONNELL TRUST FUND

This fund represents a trust created by Nell V. O'Connell to be used for the organization and development of an athletic program for students of John A.O'Connell Vocation and Technical Institute.

The transactions in this fund during the fiscal year ended June 30, 1963 are summarized as follows:

Cash on Deposit with Treasurer - July 1962	\$ 8,591
Add: Receipts	<u>1,843</u>
	\$10,434

Less: <u>Expenditures:</u>	
Athletic Supplies and Expense	<u>1,514</u>

Balance - June 30, 1963	<u>\$ 8,920</u>
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As of June 30, 1963 this fund consisted of the following:

Cash on Deposit with Treasurer	\$ 9,156	
Less: Outstanding Warrants	<u>236</u>	
		\$ 8,920

Assets held by the Crocker-Anglo National Bank, as Trustee, under terms of the San Francisco Unified School District:

3,187 Units Common Trust Fund Series "A"	\$32,494	
2,671 Units Common Trust Fund Series "B"	32,505	
Add: Cash on Deposit	<u>246</u>	<u>65,245</u>
		\$74,165
Less: Encumbrances		<u>502</u>

Balance - June 30, 1963 - Per Schedule "A-2"	<u>\$73,663</u>
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GEORGE WILSON MEYER COLLECTION TRUST FUND

This trust is a gift from Mr. and Mrs. Wilson Meyer to the San Francisco Unified School District for the establishment of the George Wilson Meyer Collection, in memory of their son, at the new Lowell High School Library.

The balance on hand as of June 30, 1963 is \$9,437 and is to be used for the purchase of books, original documents or their facsimiles, maps, etc., relative to the history and development of the West, with preference to California and appropriate attention to San Francisco's contributions.

Balance in Fund - July 1, 1962	\$10,684
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<u>Less:</u> Disbursements for Books and Manuscripts	<u>1,247</u>
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Balance in Fund - June 30, 1963	<u>\$ 9,437</u>
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GEORGE AND ELLEN MEMORIAL FUND

This trust is to provide a \$750.00 scholarship for a period of four years to a male student graduating from the San Francisco Public High Schools to attend the University of California. As of June 30, 1963 a receipt and disbursement of \$750.00 occurred.

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBALANCE SHEET AS OF JUNE 30, 1962A S S E T SCash:

On Deposit with Treasurer
Cash Transfers Outstanding
Revolving Funds
Other-time Foundation

Total	Current Fund	Capital Funds	Special Funds	Trust Funds
\$ 14,276,737	\$ 9,591,869	\$ 2,642,902	\$ 682,111	\$1,359,855
677,483	15,000		3,000	677,483
18,000				161
161				
<u>\$ 14,972,381</u>	<u>\$ 9,606,869</u>	<u>\$ 2,642,902</u>	<u>\$ 685,111</u>	<u>\$2,037,499</u>

Total CashAccounts Receivable:

Delinquent Taxes and Penalties
Less: Reserve for Unsecured
Property Taxes

\$ 1,106,442	\$ 1,100,996	\$	\$ 5,446	
715,895	712,569		3,326	
<u>\$ 390,547</u>	<u>\$ 388,427</u>		<u>\$ 2,120</u>	
<u>773,803</u>	<u>684,018</u>		<u>89,785</u>	

Other Accounts and Subventions (Contra)Accounts Receivable - Net

\$ 1,164,350	\$ 1,072,445	\$ 91,905		
<u>\$ 36,201</u>	<u>\$ 11,716</u>	<u>\$ 24,445</u>		

Inter-Fund AccountsProvision for Payment of Bonds

\$ 38,550,000	\$ 38,550,000			
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Inventories and Deferred Charges:

Stores - at Cost
Shop Inventory - at Cost
Cafeteria Inventory
Unexpired Insurance
Other Supplies and Expense
Bond Interest Accrued
Uncompleted Contracts and Purchase Orders (Contra)

\$ 778,228	\$ 778,228			
38,914	38,914		\$ 68,989	
68,989				
10,170	10,170			
63,647	63,647			
258,106			258,106	
<u>1,410,068</u>	<u>1,406,133</u>		<u>3,935</u>	

Total Inventories and Deferred Charges

\$ 2,628,122	\$ 2,297,092	\$ 331,030		
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Other Assets

\$ 65,245				\$ 65,245
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Unsold Bonds

\$ 2,075,000	\$ 2,075,000			
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Fixed Capital Properties (See Note 1)

\$140,787,921	\$140,787,921			
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TOTAL ASSETS

\$200,279,220	\$12,988,122	\$1,132,531		\$2,102,744
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LIABILITIES, RESERVES AND UNAPPROPRIATED BALANCES

Bond Interest Payable and Accrued
(See Note 1)

Accounts Payable and Commitments:

Warrants and Payroll Deductions
Deferred Credits
Accounts Payable - Materials & Services
Uncompleted Contracts and Purchase Orders (Contra)

Total Accounts Payable and Commitments

Inter-Agency Accounts:

Department of Public Works
Other Agencies

Total Inter-Agency Accounts

Inter-Fund Accounts

Bonded Debt (See Note 1)

Reserves:

Tuition due from Other Counties
Revolving Fund
Inventories
Miscellaneous

Total Reserves

Investment in Fixed Assets

Unencumbered Appropriation

Unappropriated Balances

TOTAL LIABILITIES

Total	Current Funds	Capital Funds	Special * Funds	Trust ** Funds
\$ 263,603			\$ 263,603	
\$ 4,881,822	\$ 3,976,335	\$ 49,440	\$ 168,030	\$ 688,017
12,841	12,841			
4,884,102	2,442,224	1,125,361	30,081	1,286,436
1,410,068	1,406,133		3,935	
\$ 11,188,833	\$ 7,837,533	\$ 1,174,801	\$ 202,046	\$1,974,453
\$ 852,791	\$ 244,123	\$ 608,668		
753,466	222,666	500,000	\$ 30,800	
\$ 1,606,257	\$ 466,789	\$ 1,108,668	\$ 30,800	
\$ 36,201	\$ 24,485		\$ 2,042	\$ 9,674
\$ 38,573,000		\$ 38,550,000	\$ 23,000	
\$ 242,180	\$ 242,180		\$ 3,000	
18,000	15,000		68,989	
886,131	817,142		10,000	
86,580	76,580			
\$ 1,232,891	\$ 1,150,902		\$ 81,989	
\$140,787,921		\$140,787,921		
\$ 1,762,269	\$ 614,031	\$ 1,148,238		
\$ 4,828,245	\$ 2,894,382	\$ 1,286,195	\$ 529,051	\$ 118,617
\$200,279,220	\$12,968,122	\$184,055,823	\$1,132,531	\$2,102,744

* Details of the Various Funds are shown on Schedule "A-1"

** Details of the Various Funds are shown on Schedule "A-2"

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF SPECIAL FUNDS

AS OF JUNE 30, 1963

A S S E T S

Cash:
On Deposit with Treasurer
Revolving Funds

	Totals	Child Care Centers	School Cafeterias	Bond Interest - and Redemption - Note 1
				1953 1954 1955 1956
	\$ 682,111	\$202,483	\$451,131	\$ 18,575 \$ 6,401 \$ 3,521
	3,000		3,000	
Total Cash	\$ 685,111	\$202,483	\$454,131	\$ 18,575 \$ 6,401 \$ 3,521

Accounts Receivable:

Delinquent Taxes and Penalties
Less: Reserve for Unsecured Property Tax

\$ 5,446
3,326

Inter-Fund Accounts

Other Accounts and Subventions (Contra)

\$ 2,120
24,485
89,782

\$ 13,975
70,367

Accounts Receivable - Net

\$ 116,390
32,048

\$ 84,342

Deferred Charges:

Cafeteria Inventory
Bond Interest Accrued
Uncompleted Contracts and Purchase
orders (Contra)

\$ 68,989
258,106

\$ 68,989

\$ 20,000 \$ 76,685 \$161,421

Total Deferred Charges

3,935
\$ 3,935

\$ 68,989

\$ 20,000 \$ 76,685 \$161,421

TOTAL ASSETS

\$1,132,531

\$607,462

\$ 38,575 \$ 83,086 \$164,942

LIABILITIES AND SURPLUS

Bond Interest Payable and Accrued

Bond Interest - and			
Redemption - Note 1			
	1923	1948	1956
	\$ 20,575	\$ 78,086	\$164,942

Accounts Payable and Commitments:

Warrants and Payroll Deductions
Outstanding
Accounts Payable - Materials
and Services
Uncompleted Contracts and
Purchase Orders (Contra)

	Totals	Child Care Centers	School Cafeterias
	\$ 263,603		
	\$ 168,030	\$ 90,431	\$ 77,599
	30,081	30,081	
	<u>3,935</u>	<u>3,935</u>	

Total Accounts Payable and Commitments

	\$ 202,046	\$124,447	\$ 77,599
--	------------	-----------	-----------

Inter-Agency Accounts:

Refund System
Other Agencies
Inter-Fund Payables

	\$ 19,652	\$ 6,628	\$ 13,024
	11,148	7,154	3,994
	<u>2,042</u>	<u>1,933</u>	<u>109</u>

Total Inter-Agency Accounts

	\$ 32,842	\$ 15,715	\$ 17,127
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Bonded Debt

	\$ 23,000		
	\$ 18,000	\$ 5,000	

Reserves:

Inventory
Imprest Cash
Adjustment

	\$ 68,989	\$ 68,989	
	3,000	3,000	
	<u>10,000</u>	<u>5,000</u>	

Total Reserves

	\$ 81,989	\$ 5,000	\$ 76,989
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Unappropriated Balance

	\$ 529,051	\$ 93,304	\$435,747
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TOTAL LIABILITIES AND UNAPPROPRIATED BALANCE

	\$1,132,531	\$238,466	\$607,462
	\$ 38,575	\$ 85,086	\$164,942

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BALANCE SHEET OF THE TRUST FUNDS

AS OF JUNE 30, 1961

FUND	Cash with Treasurer	Other Cash Items In Transit	Other Assets	Total Assets	Warrants Payable	Accounts Payable	Inter-Fund Payable	Total Liabilities	Unexpended Balance
Withholding Tax	\$1,219,821	\$642,789		\$1,862,610	\$651,179	\$1,211,431		\$1,862,610	
Teachers' Annuity	34,480	14,111		48,591	15,973	32,618		48,591	
Teachers' Retirement	41,226	20,583		61,809	20,611	41,198		61,809	
Fund for the Advancement of Education	12,047			12,047			500	10,071	\$ 1,976
Miranda Lux Foundation	5,278			5,278	12	187	103	302	4,976
Anna Steinberg Trust	268			268					268
Will C. Steinbrunn Bequest	28,101			28,101					28,101
Veterans' Education	35			35					35
Hume Foundation		\$ 161		161					161
Neil V. O'Connell	9,156		\$65,245 (1)	74,401	236	502		738	73,663
George Wilson Meyer Collection	9,443				6			6	9,437
TOTALS	\$1,359,855	\$677,483	\$ 161	\$2,102,744	\$688,017	\$1,286,436	\$ 9,674	\$1,984,127	\$118,617

(1) Consists of Assets held in Trust by the
Crocker-Anglo National Bank

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF UNAPPROPRIATED BALANCE - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1963

Balance - July 1, 1963		\$3,196,259
<u>Add:</u> Excess of Revenues over Expenditures per Exhibit "C"		25,033
Decrease in Unencumbered Balance of Appropriations		73,466
Decrease in Inter-Fund Balances		<u>83,527</u>
		\$3,378,285
<u>Less:</u> Increase in Encumbrances	\$ 154,732	
Encumbered Appropriation	322,346	
Miscellaneous Adjustments	<u>6,825</u>	
		<u>483,903</u>
Balance - June 30, 1963		<u>\$2,894,382</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCURRENT FUND

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
For the Fiscal Years ended June 30, 1963 and June 30, 1962

	<u>Fiscal Years ended</u>		<u>Increase (Decrease)</u>
	<u>June 30, 1963</u>	<u>June 30, 1962</u>	
<u>Revenues</u> - Per Schedule "C-1"	\$55,175,559	\$51,001,824	\$4,173,735
<u>Operating Expenditures:</u>			
Administration	\$ 1,209,789	\$ 1,279,997	\$ (70,208)
Instruction	41,622,705	38,183,805	3,438,900
Health Service	62,090	67,847	(5,757)
Operations	4,459,354	4,058,442	400,912
Maintenance	2,214,775	1,929,474	285,301
Fixed Charges	3,508,556	3,082,967	425,589
Transportation of Pupils	391,980	333,313	58,667
Food Service	190,011	203,547	(13,536)
Community Services	465,163	324,357	140,806
Transfer of Tuition, Retirement, etc.	<u>113,999</u>	<u>99,857</u>	<u>14,142</u>
Total Operating Expenditures	<u>\$54,238,422</u>	<u>\$49,563,606</u>	<u>\$4,674,816</u>
Balance	\$ 937,137	\$ 1,438,218	\$ (501,081)
Net Capital Outlay from Current Funds	<u>912,104</u>	<u>902,870</u>	<u>9,234</u>
Excess of Revenue over Expenditures	<u>\$ 25,033</u>	<u>\$ 535,348</u>	<u>\$ (510,315)</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICTCOMPARATIVE STATEMENT OF CURRENT FUND REVENUES
For the Fiscal Years ended June 30, 1963 and June 30, 1962

	<u>Fiscal Years ended</u>		<u>Increase</u>
	<u>June 30,</u>	<u>June 30,</u>	<u>(Decrease)</u>
	<u>1963</u>	<u>1962</u>	
<u>Property Taxes and Penalties</u>	\$36,392,008	\$32,445,000	\$3,947,008
<u>Apportionments from State of California:</u>			
Elementary Schools	\$ 9,436,023	\$ 9,485,185	\$ (49,162)
High Schools and City College	5,325,153	5,101,029	224,124
Retirement Subventions	<u>1,863,328</u>	<u>1,872,413</u>	<u>(9,085)</u>
Total Apportionments	\$16,624,504	\$16,458,627	\$ 165,877
<u>Other Revenue:</u>			
San Francisco Housing Authority - in lieu of Taxes	\$ 65,906	\$ 55,999	\$ 9,907
Federal and State vocational education subvention	209,356	85,310	124,046
Reimbursement for veterans' education and counseling	43,478	34,762	8,716
Tuition from other Counties and Districts	159,664	389,009	(229,345)
Rentals	354,468	354,468	-
Public Law 874 and other Federal Aid	1,108,028	1,020,014	88,014
Miscellaneous	<u>218,147</u>	<u>158,635</u>	<u>59,512</u>
Total Other Revenue	\$ 2,159,047	\$ 2,098,197	\$ 60,850
Total Revenues	<u>\$55,175,559</u>	<u>\$51,001,824</u>	<u>\$4,173,735</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENT - JUNE 30, 1963

1. Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report.

Bonded Debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Balance Sheet "Exhibit "A", as the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2. At June 30, 1963 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000.

At June 30, 1963 the contingent liability for Workmen's Compensation claims pending, was estimated by the Retirement Board of the City and County of San Francisco to be approximately \$156,000.

3. Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1963

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

November 19, 1963

Mr. Harry D. Ross
Controller
City and County of San Francisco

TREASURER: Examination of Accounts, Fiscal Year
Ended June 30, 1963

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records.

Mr. Ralph A. Sheehan, Grand Jury Statistician, participated in this examination.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

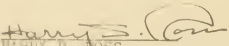
In our opinion the accompanying report with schedules attached presents fairly the financial condition of the Treasurer at June 30, 1963, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION


Francis J. Byrne
Chief Accountant

REPORT APPROVED:


HARRY D. ROSS
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1963 amounted to \$728,729,604.52 compared with June 30, 1962 total of \$659,762,880.21.

<u>Cash and Securities</u>	<u>June 30, 1963</u>	<u>June 30, 1962</u>
Cash and cash items	\$184,849,939.77	\$153,633,215.46
Securities (Par Value)	<u>543,879,664.75</u>	<u>506,129,664.75</u>
Total (Exhibit "A")	<u>\$728,729,604.52</u>	<u>\$659,762,880.21</u>

CASH AND CASH ITEMS \$184,849,939.77

Cash and Cash items (Exhibit "A"),
are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1963</u>	<u>June 30, 1962</u>
Cash and cash items on hand	\$ 2,423,503.35	\$ 2,351,295.92
Cash in banks	180,159,041.85	150,205,012.98
United States Bonds (Par Value)	<u>76,050.00</u>	<u>83,100.00</u>
Total	\$182,658,595.20	\$152,639,408.90
Cash items received after June 30, 1963, and applied to the fiscal year 1962-1963	<u>2,191,344.57</u>	<u>993,806.56</u>
Total	<u>\$184,849,939.77</u>	<u>\$153,633,215.46</u>

The above \$184,849,939.77 was reconciled with the Controller's available cash of \$157,789,438.56; the difference of \$27,060,501.21 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$23,313,222.41	\$3,569,566.30	\$26,882,788.71
Matured and unpaid bonds	43,000.00	70,200.00	113,200.00
Matured and unpaid coupons	<u>23,630.00</u>	<u>40,882.50</u>	<u>64,512.50</u>
	<u>\$23,379,852.41</u>	<u>\$3,680,648.80</u>	<u>\$27,060,501.21</u>

Cash and Cash Items on Hand

The sum of \$2,423,503.35 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comment</u>
Coin and Currency	\$ 774,811.98	Verified by count
Checks on hand for deposit	1,648,365.06	All current: deposited in bank July 1, 1963
Due from Clearing House	<u>326.31</u>	Adjusted on next day's clearing
Total	<u>\$ 2,423,503.35</u>	

Cash in Banks \$180,159,041.85

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

	Amount on Deposit			
	Inactive	Active	Total	Percent
Bank of America	\$ 27,750,000.00	\$12,776,075.99	\$ 40,526,075.99	22.49
Bank of California	6,000,000.00	1,659,048.60	7,659,048.60	4.25
Bank of Canton	1,175,000.00	500,000.00	1,675,000.00	.93
Bank of Montreal	1,000,000.00	250,000.00	1,250,000.00	.69
Bank of Tokyo	1,750,000.00	600,000.00	2,350,000.00	1.31
Canadian Bank of Commerce	1,150,000.00	650,000.00	1,800,000.00	1.00
Crutcher-Anglo National Bank	36,363,646.66	2,971,038.01	39,334,684.67	21.83
First Western Bank	3,500,000.00	1,000,000.00	4,500,000.00	2.50
Golden Gate National Bank	2,000,000.00	1,277,725.47	3,277,725.47	1.82
Hibernia Bank	1,750,000.00	250,000.00	2,000,000.00	1.11
Hongkong & Shanghai Bank	2,000,000.00	500,000.00	2,500,000.00	1.39
Pacific National Bank	7,750,000.00	656,886.47	8,406,886.47	4.67
San Francisco National Bank	2,750,000.00	500,000.00	3,250,000.00	1.80
Sumitomo Bank	1,650,000.00	50,000.00	1,700,000.00	.94
United California Bank	12,000,000.00	1,366,165.75	13,366,165.75	7.42
Wells Fargo Bank	41,696,475.24	4,866,972.66	46,563,447.90	25.85
Total	\$150,285,121.90	\$29,873,919.95	\$180,159,041.85	100.00

Percent of Total 83.42% 16.58% 100.00%

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisors' Resolution No. 3469, adopted August 17, 1937, authorized the Treasurer to enter into the necessary agreement with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

Except for the Golden Gate National Bank, the amounts on deposit in banks June 30, 1963, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus of any depository."

Due to a misunderstanding the Treasurer's deposits with Golden Gate National Bank exceeded the paid-up capital and surplus by \$25,814.47. Collateral securities at all times exceeded the amount of deposit by at least 10%. As of August 12, 1963, the Treasurer's deposits conformed with the provisions of the aforementioned section.

Interest totaling \$4,701,346.30 was earned on inactive deposit balances during the fiscal year.

United States Bonds (Fair Value) \$76,050.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$12,450.00 for which court orders for release or forfeitures were issued.

Cash Items Received After June 30, 1963 \$2,191,344.57

This item represents 1962-1963 collections which were deposited with the Treasurer in July 1963.

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1963	\$601,654.45
July 2, 1963	990,962.05
July 3, 1963	219,410.56
July 5, 1963	370,121.74
July 8, 1963	5,282.92
July 9, 1963	3,912.85
Total	<u>\$2,191,344.57</u>

SECURITIES (PAR VALUE) \$543,879,664.75

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>Securities Charged to the Treasurer</u>	<u>Par Value</u>
<u>Bonds</u>	
Employees' Retirement Fund	\$302,177,300.00
Bequest Funds	189,000.00
Trust Funds	15,000.00
Deposits on Leases	118,500.00
Miscellaneous Deposits	1,475.00
Total	<u>\$302,501,275.00</u>
<u>Miscellaneous</u>	
Corporate Stock (Bequest Funds)	\$ 35,389.75
Deposits	9,000.00
Total	<u>\$ 44,389.75</u>
<u>Securities Not Charged to the Treasurer</u>	
Collateral Securities	<u>\$241,334,000.00</u>
Total June 30, 1963	<u>\$543,879,664.75</u>

The book value of the bonds of the Employees' Retirement Fund will be verified and reported by the firm of Farquhar and Heimbucher, Certified Public Accountants, in connection with the audit of the Retirement System. The book value of the other securities charged to the Treasurer will be verified and reported by the firm of John F. Forbes and Company, Certified Public Accountants, in connection with the audit of the office of the Controller. The market value of the collateral securities is reported at \$237,296,378.12 by the several depositories.

Bonds (Par Value) Employees' Retirement Fund \$302,177,300.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1962-1963 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1962	\$287,964,300.00
Purchased	<u>55,643,000.00</u>
Total	\$343,607,300.00
Sold, called or matured	<u>41,430,000.00</u>
Balance, June 30, 1963	<u>\$302,177,300.00</u>

Bonds (Par Value) Bequest and Trust Funds \$204,000.00 (Exhibit "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

Bonds (Par Value) Deposit on Leases \$118,500.00 (Exhibit "A-2")

These bonds represent security on various leases of City and County property.

Bonds (Par Value) Miscellaneous \$1,475.00 (Exhibit "A-2")

The above represents deposits by various City and County departments for safekeeping.

Corporate Stock \$55,389.75 (Exhibit "A-2")

Represents par value of stocks belonging to bequest funds.

Miscellaneous Deposit \$9,000.00 (Exhibit "A-2")

Represents a Colonial Savings and Loan Association Investment Certificate deposited with the Treasurer as security for faithful performance of a contractual obligation.

Collateral Securities (Par Value Bonds) \$241,334,000.00 (Exhibit "A-1")

The Securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1963, were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$103,930,000.00

Unsold (Unissued) City and County Bonds at June 30, 1963, represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Prior to 1962-1963	Sold During 1962-1963	Unsold June 30, 1963
<u>Authorized June 8, 1954</u>				
1954 Sewer	\$ 12,645,000	\$10,600,000	\$ 1,690,000	\$ 355,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000	5,900,000		1,100,000
1955 Hetch Hetchy Power	54,000,000	50,000,000		4,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000	18,400,000		1,075,000
<u>Authorized Nov. 6, 1956</u>				
1956 Schools	27,000,000	24,925,000		2,075,000
<u>Authorized Nov. 3, 1959</u>				
1959 Civic Center Aud. Improvement	7,575,000	7,350,000		225,000
1959 Palace of Fine Arts	1,800,000			1,800,000
<u>Authorized June 7, 1960</u>				
1960 M.H. deYoung Museum	2,725,000		2,725,000	
<u>Authorized Nov. 8, 1960</u>				
1960 Sewer Bonds	12,500,000	4,900,000		7,600,000

	Total <u>Authorized</u>	<u>Sold</u>		Unsold <u>June 30, 1963</u>
		<u>Prior to 1962-1963</u>	<u>During 1962-1963</u>	
<u>Authorized Nov. 7, 1961</u>				
1961 Municipal Water System	\$115,000,000	\$ 6,300,000	\$23,000,000	\$ 85,700,000
<u>Authorized June 5, 1962</u>				
1962 S.F. International Airport	9,800,000		9,800,000	
Total	<u>\$269,520,000</u>	<u>\$128,375,000</u>	<u>\$37,215,000</u>	<u>\$103,930,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates The First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purposes of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1963, follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rate	Earned 1962-63
Bonds	\$15,791,000.00	1/20th of 1%	\$ 7,895.50
Coupons (270,219)	<u>3,867,491.25</u>	\$.04 each	<u>10,808.76 (1)</u>
Total	<u>\$19,658,491.25</u>		<u>\$18,704.26</u>

- (1) Includes \$5,207.68 for last quarter of 1962-1963, which was paid in August 1963.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for the City and County employees was \$775,687.50 as compared with \$776,587.50 for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$4,129,953.44. A comparison with the previous fiscal year follows:

<u>Revenues</u>	<u>1962-1963</u>	<u>1961-1962</u>
Interest earned on inactive bank deposits	\$4,291,346.30	\$3,397,413.33
Commissions received on Inheritance Tax Collections	25,000.00	25,000.00
Other Fees	572.50	461.50
Conscience Money	<u>210.00</u>	<u>49.00</u>
Total	\$4,317,128.80	\$3,422,923.83

Expenditures

Per Controller's Records	<u>187,175.36</u>	<u>163,202.99</u>
Total	<u>\$4,129,953.44</u>	<u>\$3,259,720.84</u>

A five year comparative statement of revenues, expenditures, and encumbrances is reflected on Exhibit B.

Interest on Inactive Bank Deposits \$4,291,346.30

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	<u>1962-1963</u>	<u>Interest Earned</u>	
	<u>Budget Estimate</u>	<u>1962-1963</u>	<u>1961-1962</u>
General, Special Gas Tax and Special Road Improvement Funds	\$ 3,550,000.00	\$4,030,429.25	\$3,185,621.33
Municipal Railway	<u>30,000.00</u>	<u>52,192.00</u>	<u>38,151.81</u>
Total	\$ 3,580,000.00	\$4,082,621.25	\$3,223,773.14
Civic Center Plaza Garage		4,938.36	
Water Operating	95,000.00	104,999.99	92,126.74
Fuhrman Bequest - Library		1,284.93	
" " - Park		1,284.93	
Health Service System		6,029.40	1,050.01
Martin Heller Bequest		1,876.05	223.73
Walter S. Johnson Gift		74,118.23	69,287.33
W. C. Steinbrunn Bequest		960.81	346.84
Anna E. Waden Bequest		3,425.46	2,761.00
Bay Area Rapid Transit		8,019.20	6,306.84
Redevelopment Agency		<u>1,787.69</u>	<u>1,537.70</u>
Total	<u>\$ 3,675,000.00</u>	<u>\$4,291,346.30</u>	<u>\$3,397,413.33</u>

The \$52,192.00 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$4,082,621.25 on the basis of the Treasurer's daily balances in that fund.

The credits to the various other funds were earned on inactive bank balances used exclusively for those funds.

Commissions on Inheritance Tax Collections \$25,000.00

Inheritance Tax Commissions and Settlements with the State for the twelve months ending May 31, 1963, are summarized as follows:

Inheritance Tax Collections		\$13,380,652.31
Less: Disbursements:		
Maui County	\$ 266.00	
Appraisers Fees	4,307.85	
Payments to State	<u>13,351,078.46</u>	<u>13,355,652.31</u>
Commissions Earned, Fiscal Year 1962-1963	\$ 25,000.00	

Accounts maintained for Inheritance Tax purposes are recorded on State controller pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1957, the maximum commissions a Treasurer of a county of the fourth class may retain is \$25,000.00 for a calendar year.

Other Fees \$572.50

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "listing contents of a Safe Deposit Box" is collected in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code.

Conscience Money \$210.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

Expenditures \$187,175.36

Expenditures compared with budget appropriations for 1962-1963 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures</u>
Permanent Salaries	\$146,082.77	\$145,733.77
Allowance for Overtime	170.00	127.52
Temporary Salaries		
Military Leave	305.32	305.32
Contractual Services	25,325.00	24,788.70
Use of Employees' Cars	500.00	458.63
Materials and Supplies	1,808.24	1,786.66
<u>By Purchaser</u>		
Reproduction Bureau	1,150.00	1,148.42
Telephone and Telegraph	309.00	231.40
City Directory	84.00	83.20
Stationery Withdrawn from Stores	135.00	129.62
Equipment	221.76	221.76
Premium on Forgery Bond	<u>15,030.00</u>	<u>12,160.36</u>
Total	<u>\$191,121.09</u>	<u>\$187,175.36</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Overage Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds. Ordinance No. 69-58, approved February 14, 1958 appropriated the sum of \$500.00 and established the funds in the custody of the Treasurer. Ordinance Nos. 287-60 and 252-62, May 25, 1960 and September 20, 1962, respectively, appropriated additional amounts.

The operations of the two funds are summarized as follows:

	Fund	
	<u>Overage</u>	<u>Cash Difference</u>
Balance, July 1, 1962		\$ 22.24
Plus: Appropriation, Sept. 20, 1962		500.00
Overages	\$20.00	
Less: Deposit with General Fund	20.00	
Disbursements		<u>350.83</u>
Balance, June 30, 1963	<u>-0-</u>	<u>\$ 171.41</u>

In accordance with the provisions of Ordinance No. 68-58, the balance in the Overage Fund was deposited by the Treasurer June 30, 1963 to the credit of the General Fund.

The balance in the Cash Difference Fund was verified by actual count.

SURETY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000 by St. Paul Fire and Marine Insurance Company's Bond No. 404-AG-0276P in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1963. The bond is in the custody of the Controller as provided by Charter Section No. 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, August 5, 1953, as amended by Ordinance No. 94-61, April 26, 1961, Blanket Bond No. 404-AG-3292P, St. Paul Fire and Marine Insurance Company, expiring June 1, 1964, covers all employees of the City and County of San Francisco under Section 1 of Ordinance No. 94-61 for faithful performance and under Section 7 of Ordinance 8075 up to \$50,000.00 for any one employee or the sum of \$50,000.00 as to any one loss.

FORGERY INSURANCE

Forgery Insurance up to \$100,000.00 (no deductible) is provided by the United Pacific Insurance Company, Policy No. B415930 for a period of three years commencing May 15, 1963. This policy is on file with the Controller.

MONEY AND SECURITIES INSURANCE

The Treasurer's Office carried no burglary or robbery insurance during the fiscal year 1962-63. However, beginning July 1, 1962 pursuant to Ordinance No. 50-62 the Treasurer is insured by St. Paul Fire and Marine Insurance Co. policy No. 604-AF-3146 and Lloyd's No. LM-27723, expiring July 1, 1964, for the following:

Inside premise coverage:	
Money and valuables	\$ 750,000
Securities	10,000,000
Outside premise coverage:	
Money and valuables	500,000

SUMMARY OF CASH AND SECURITIES

EXHIBIT "A"

	<u>June 30th</u>	
<u>CASH AND CASH ITEMS</u>	<u>1963</u>	<u>1962</u>
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and Currency	\$ 774,811.98	\$ 755,184.49
Checks on Hand for Deposit	1,648,365.06	1,070,846.49
Controller's Warrants		524,960.28
Due from Clearing House	<u>326.31</u>	<u>304.66</u>
Total	<u>\$ 2,423,503.35</u>	<u>\$ 2,351,295.92</u>
<u>CASH IN BANKS</u>		
Active Accounts	\$ 29,873,919.95	\$ 23,371,590.79
Inactive Accounts	<u>150,285,121.90</u>	<u>126,833,422.19</u>
Total	<u>\$180,159,041.85</u>	<u>\$150,205,012.98</u>
<u>UNITED STATES BONDS (PAR VALUE)</u>	<u>\$ 76,050.00</u>	<u>\$ 83,100.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1963 AND</u> <u>APPLIED TO FISCAL YEAR 1962-1963</u>	<u>\$ 2,191,344.57</u>	<u>\$ 993,806.56</u>
Total (Exhibit "C" and "D")	<u>\$184,849,939.77</u>	<u>\$153,633,215.46</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$241,334,000.00	\$217,692,000.00
Employees' Retirement Fund	302,177,300.00	287,964,300.00
Bequest Funds	189,000.00	294,000.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	118,500.00	118,500.00
Miscellaneous Deposits	<u>1,475.00</u>	<u>1,475.00</u>
Total	<u>\$543,835,275.00</u>	<u>\$506,085,275.00</u>
<u>OTHER</u>		
Bequest Funds (Corporate Stock)	\$ 35,389.75	\$ 35,389.75
Contract Deposit	<u>9,000.00</u>	<u>9,000.00</u>
Total	<u>\$ 44,389.75</u>	<u>\$ 44,389.75</u>
Total	<u>\$543,879,664.75</u>	<u>\$506,129,664.75</u>
Total Cash and Securities	<u>\$728,729,604.52</u>	<u>\$659,762,880.21</u>

BEQUESTS, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1963

<u>BEQUEST FUNDS</u>	<u>BONDS PAR VALUE</u>	<u>FACE VALUE CORPORATE STOCK</u>	<u>CONTROLLER'S BOOK VALUE</u>
Brunetti	\$	\$ 40.50	\$ 94.25
Fuhrman	115,000.00		115,250.00
Herzstein	8,000.00		8,379.01
Lewis		260.00	2,000.00
Marx	2,000.00		2,072.86
Olsen	1,000.00		978.75
Robinson	40,000.00		40,000.00
Salinger	3,000.00	2,155.00	28,401.95
Sutro	5,000.00		4,996.88
Waden		32,934.25	94,140.33
Windel	15,000.00		15,009.38
Total	\$189,000.00	\$35,389.75	\$311,323.41

<u>TRUST FUNDS</u>			
Panama Pacific Exposition	15,000.00		15,585.00
Total Bequest & Trust Funds	\$204,000.00	\$35,389.75	\$326,908.41

DEPOSIT ON LEASES

Jack D. Conidi	\$ 1,500.00	\$ 1,500.00
Di Salvo Trucking Company	2,000.00	2,000.00
Elias Leider	2,500.00	2,500.00
Lurie and Company	2,000.00	2,000.00
Marbac Corporation	1,000.00	1,000.00
Mission Street Merchants Ass'n.	5,000.00	5,000.00
William Parrish	1,500.00	1,500.00
S. F. Holding Company	100,000.00	100,000.00
William H. Segale	1,000.00	1,000.00
Studinger and Ward	1,000.00	1,000.00
Arthur R. Viargues	1,000.00	1,000.00
Total	\$118,500.00	\$118,500.00

MISCELLANEOUS DEPOSITS

County Clerk		
Estate of Henry J. Byrne		
Missing Person	\$ 1,425.00	\$ 1,425.00
Public Administrator		
Mr. Dane Conroy, Absent Heir	25.00	25.00
Recreation and Park Department		
North Beach Playground	25.00	25.00
Lakeside Village Merchants Association		
	9,000.00	9,000.00
Total	\$ 1,475.00	\$ 10,475.00

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year ended June 30th			
	1962	1961	1960	1959
<u>REVENUES</u>				
Interest Earned on				
Deposit of Public Funds	\$4,129,346.30	\$3,395,413.33	\$2,952,829.46	\$1,970,700.95
Commission on Inheritance				
Law Collections	25,000.00	25,000.00	50,000.00	50,000.00
Order Fees	572.50	481.50	313.50	207.50
Consentance Money	210.00	42.00	11.00	72.52
Total	\$4,317,128.80	\$3,422,923.83	\$3,002,953.96	\$2,020,987.97
				\$1,708,763.63
<u>EXPENDITURES AND ENCUMBRANCES</u>				
Permanent Salaries	\$ 145,733.77	\$ 134,105.59	\$ 129,556.01	\$ 124,687.59
Allowance for Overtime	127.52	103.33	48.06	97.13
Temporary Salaries	305.32(2)	602.43		360.00
Contractual Services	7,922.39	7,536.24	6,166.40	6,806.14
Fiscal Agent - New York	18,704.26	18,303.82(1)	16,307.60	17,166.60
Materials and Supplies	1,999.48	1,950.58	2,104.27	1,058.27
Equipment	221.76		2,296.08	
Fixed Charges	12,150.36	600.00	100.00	52.31
Total	\$ 187,175.36	\$ 163,202.99	\$ 156,578.42	\$ 141,341.20
Net Revenues	\$4,129,953.44	\$3,259,720.84	\$2,846,375.54	\$1,567,422.43

- (1) Includes \$1,209.55 Reserve for Adjustment.
 (2) Military Leave

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1963</u>	<u>1962</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$153,633,215.46</u>	<u>\$132,982,106.85</u>
<u>RECEIPTS</u>		
Receipts	\$483,658,342.18	\$429,474,093.58
Journal Transfers (Contra)	<u>400,682,398.38</u>	<u>355,381,313.68</u>
Total	<u>\$884,340,740.56</u>	<u>\$784,855,407.26</u>
Total Balance and Receipts	<u>\$1,037,973,956.02</u>	<u>\$917,837,514.11</u>
 <u>DISBURSEMENTS</u>		
Cash Disbursements	\$452,441,617.87	\$408,822,984.97
Journal Transfers (Contra)	<u>400,682,398.38</u>	<u>355,381,313.68</u>
Total	<u>\$853,124,016.25</u>	<u>\$764,204,298.65</u>
 <u>CASH BALANCE - END OF YEAR</u>	<u>\$184,849,939.77</u>	<u>\$153,633,215.46</u>
(EXHIBITS "A" AND "D")		

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>		<u>Fiscal Year Ended June 30th</u>	
<u>CURRENT FUNDS</u>	<u>1963</u>	<u>1962</u>	
Cash Balance - Beginning of Year	\$ 72,974,447.16	\$ 68,922,396.31	
Cash Receipts	314,350,769.96	275,754,271.47	
Journal Transfers	<u>368,075,611.36</u>	<u>321,600,133.51</u>	
Total Available	<u>\$755,400,828.48</u>	<u>\$666,276,801.29</u>	
Cash Disbursements	\$286,596,939.07	\$258,241,075.26	
Journal Transfers	<u>380,751,922.43</u>	<u>335,061,278.87</u>	
Total Disbursements	<u>\$667,348,861.50</u>	<u>\$593,302,354.13</u>	
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 88,051,966.98</u>	<u>\$ 72,974,447.16</u>	
<u>CAPITAL FUNDS</u>			
Cash Balance - Beginning of Year	\$ 65,319,707.84	\$ 46,891,231.86	
Cash Receipts	39,201,294.47	39,925,313.37	
Journal Transfers	<u>13,726,077.55</u>	<u>16,243,084.41</u>	
Total Available	<u>\$118,247,079.86</u>	<u>\$103,059,629.64</u>	
Cash Disbursements	\$ 24,863,148.42	\$ 18,902,200.61	
Journal Transfers	<u>18,340,296.10</u>	<u>18,837,721.19</u>	
Total Disbursements	<u>\$ 43,203,444.52</u>	<u>\$ 37,739,921.80</u>	
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 75,043,635.34</u>	<u>\$65,319,707.84</u>	
<u>TRUST AND ASSESSMENT FUNDS</u>			
Cash Balance - Beginning of Year	\$ 15,339,060.46	\$ 17,168,478.68	
Cash Receipts	130,106,277.75	113,794,508.74	
Journal Transfers	<u>18,880,709.47</u>	<u>17,538,095.76</u>	
Total Available	<u>\$164,326,047.68</u>	<u>\$148,501,083.18</u>	
Cash Disbursements	\$140,981,530.38	\$131,679,709.10	
Journal Transfers	<u>1,590,179.85</u>	<u>1,482,313.62</u>	
Total Disbursements	<u>\$142,571,710.23</u>	<u>\$133,162,022.72</u>	
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 21,754,337.45</u>	<u>\$ 15,339,060.46</u>	
<u>TOTAL CASH ON HAND (EXHIBITS "A" AND "D")</u>	<u>\$184,849,939.77</u>	<u>\$153,633,215.46</u>	

**City and County of San Francisco
Employees' Retirement System**



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1963

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET
SAN FRANCISCO 4, CALIFORNIA
November 18, 1963

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1963 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves together with the notes thereto, present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1963 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1963

Exhibit B Statement of Changes in Reserves for Year ended June 30, 1963

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 25, 1963. Mr. Ralph Sheehan, Grand Jury Statistician, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought into the System, and the present name and administrative organization were adopted.

On June 8, 1959, members of the System, other than municipal railway employees already covered by social security and policemen and firemen, elected on an individual basis whether or not they desired to be covered by a coordinated retirement and social security plan. All employees becoming members of the System subsequent to June 8, 1959 were included in the coordinated plan without election on their part.

The coordinated plan is a combination of the benefits under the Retirement System and social security. Any retirement allowance of a member, except a disability allowance granted before age fifty-five, is reduced by a part of his primary social security benefit.

The social security contract was approved on October 15, 1959 and all covered members of the System on that date were granted retroactive coverage on City and County service from January 1, 1956 to October 15, 1959.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Peter Tamaras, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Thomas M. O'Connor, City Attorney; Mr. Daniel Diez; Mr. William T. Reed, and Mr. Martin F. Wormuth, elected by the membership; Mr. James M. Crane of The Pacific National Bank; and Mr. James Martin Hamill of Equitable Life Assurance Society of the United States. Mr. Daniel Mattrocce is Secretary of the System.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The active membership at June 30, 1963 was 19,800, and 6,033 retired employees or their beneficiaries were then receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rate</u>
Municipal Railway	165.2	5.615 %
Water Department	165.2	5.800
Police Department	168.1	17.268
Fire Department	171.1	15.802
All others	165.2	6.236

The above rates were computed on the basis of an actuarial survey at June 30, 1959 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premium plus accumulation of discount.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 9,284,550
Disability retirements	3,116,589
Industrial death allowances	981,465
Death benefits to members' beneficiaries	785,678
Death benefits to beneficiaries of retired employees	<u>345,505</u>
Total	\$ <u>14,513,787</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - \$ 2,414,279

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 2,414,279 was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of The Controller's office, who performed the audit of the Treasurer's office.

Certain warrants, amounting to \$ 40,638 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions in Process of Collection - \$ 770,251

The above amount represents contributions withheld from employees' salaries for May and June 1963 for which cash transfers were made after June 30, 1963. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions and Reimbursements - \$ 442,179

A summary of the balances due from the City and County of San Francisco at June 30, 1963 is as follows:

City and County contributions due from public utilities and special funds	\$ 376,420
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	9,761
Due from special funds:	
Compensation costs	55,259
Administrative costs	<u>739</u>
Total	\$ <u>442,179</u>

The amount of City and County of San Francisco contributions due from public utilities and special funds represents the portion of retirement contributions for March, April, May and June, 1963 for which cash transfers were made after June 30, 1963.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - \$ 2,942,688

We have satisfied ourselves by an independent calculation that the above amount of \$ 2,942,688 represents the bond interest earned but not yet received at June 30, 1963.

Funds Advanced for the Purchase of Bonds - \$ 2,240,625

Bonds issued on July 1, 1963, with a par value of \$ 2,250,000, were purchased by warrants drawn by the controller and charged to the Retirement System on June 28, 1963. These bonds were received by the Treasurer after the close of the year.

Proceeds from Matured Bonds in Process of Collection - \$ 151,000

The above amount represents proceeds in the process of collection at June 30, 1963, from bonds which matured June 15, 1963.

Bond Investments - \$ 297,399,515

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection at June 30, 1963.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1963. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1963, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 343,684 at June 30, 1963, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Current Requirements,
Payable to City and County of San Francisco - \$ 311,122

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1963.

This excess is derived as follows:

Balance June 30, 1962	\$	268,726
Tax appropriation allocated to Retirement System for year		<u>12,601,769</u>
		12,870,495
Less Excess over requirements for year ended June 30, 1962 returned to City and County of San Francisco		268,726
Fixed charges for current and prior service and other costs		<u>12,290,647</u>
		12,559,373
Balance June 30, 1963	\$	<u>311,122</u>

The City Attorney's opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature prior to July 1, 1946, \$ 257,888, has been retained in the reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.

Credit to San Francisco Unified School District - \$ 430,663

The above amount consists of a credit of \$ 2,166,567 allowed to the San Francisco Unified School District representing accumulated contributions of the School District for the benefit of teachers who retired during the calendar year 1962 and chose to retire under the State Teachers Retirement System, rather than the San Francisco City and County Employees' Retirement System, less \$ 1,735,904 applied to current service contributions of the School District for the months of December, 1962 through June, 1963.

Accumulated Contributions of Former Members - \$ 23,261

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in the account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Administrative and Compensation Costs Payable - \$ 63,738

The above represents \$ 53,716 payable to various organizations for administrative expenses and \$ 10,022 payable for services rendered by other departments in connection with compensation claims: \$ 9,870 to San Francisco General Hospital and \$ 132 to the City Attorney.

Reserves for Current Service
Benefits Already Granted - \$ 87,250,470

This account represents the accumulated contributions transferred to provide annuities and pensions for current service to retired members or their beneficiaries, plus interest, less benefits paid. The amount necessary at June 30, 1959, based on an actuarial survey at that date to provide current service benefits to members retired at that date or their beneficiaries exceeded the sum of these reserves and City and County of San Francisco contributions reserved for benefits not otherwise funded by \$ 3,691,866. In recognition of this, a mortality stabilization reserve described later in this report has been established.

Reserves for Current Service Benefits
Not Yet Granted - \$ 202,788,853

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 96,542,395. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1963 at the rate of three and one-half per cent.

Statements of accounts at June 30, 1963 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, \$ 106,246,458 for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are

computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1963 interest was credited to this account at the rate of three and one-half per cent.

Reserves for Death Benefits on Deposit - \$ 6,023

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

City and County of San Francisco Contributions Reserved
for Benefits not Otherwise Funded - \$ 2,830,297

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded consist of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1962				\$ 2,692,248
Increases				
Contributions released by withdrawal of active members		29,682		
Contributions released by death of active members		32,767		
Interest credited		<u>190,520</u>	<u>252,969</u>	
				2,945,217
Decreases				
Death benefits paid to beneficiaries of matching plan members		72,524		
Increase in amount allocated to reserve for disability pensions				
Required at June 30, 1963	2,803,519			
Required at June 30, 1962	<u>2,761,123</u>	<u>42,396</u>	<u>114,920</u>	
Balance at June 30, 1963				\$ <u>2,830,297</u>

Unallocated Earnings from the Sale of Bonds - \$ 343,684

Unallocated earnings from sale of bonds represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

During the year under review, U. S. Government obligations with a par value of \$ 23,801,000 were sold. The amortized value of these bonds as recorded on the books of the System had been reduced by \$ 2,912, representing a portion of the unallocated earnings from the sale of bonds applied against the cost of these bonds. Upon disposition of the bonds the amount of the unallocated earnings from the sale of bonds was reduced by \$ 2,912. The proceeds from the sale of the bonds have been re-invested in bonds with substantially higher yields than those of the bonds sold.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943	\$ 400,421	
1944	1,418,102	
1945	3,207,543	
1954	31,051	
1955	<u>57,766</u>	5,114,883
Profit applied for 19 years ended June 30, 1962		<u>4,760,533</u>
Balance undistributed at June 30, 1962		354,350
Profit applied for year ended June 30, 1963		
Applicable to bonds sold during the year	2,912	
Applicable to bonds held at end of the year	<u>7,754</u>	<u>10,666</u>
Balance undistributed at June 30, 1963		\$ <u><u>343,684</u></u>

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency Reserve against Adverse Experience - \$ 12,312,426

The mortality stabilization reserve, \$ 3,691,866, was established in recognition of the deficiency in the reserves for benefits already granted as determined by an actuarial survey at June 30, 1959. The Retirement Board, on March 29, 1961, directed that a part of the interest over and above that credited to contributions, in the amount of \$ 3,691,866 be held in ledger accounts of the System as a Mortality Stabilization Reserve on account of outstanding retirement and death allowances.

The unallocated portion of the contingency reserve against adverse experience, \$ 8,620,560, represents accumulated profits of \$ 1,979,919 on the sale of bonds and interest earned on investments in excess of the amounts allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board, less the amount held as a mortality stabilization reserve.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 14, 1949.

Changes in this account during the year under review were as follows:

Balance, June 30, 1962		\$ 8,987,645
Bond interest earned	10,826,349	
Prior years profit on sale of bonds applied during year	7,754	
Interest earned on City and County of San Francisco balance	<u>367</u>	
	10,834,470	
Loss on sale of bonds	<u>1,427,988</u>	<u>9,406,482</u>
		18,394,127
Less Interest credited to accumulated contributions and reserves		<u>9,773,567</u>
Unallocated balance at June 30, 1963		\$ <u><u>8,620,560</u></u>

San Francisco City and County Employees' Retirement System

BALANCE SHEET AT JUNE 30, 1963

Assets		Liabilities	
NAME			
RECEIVABLES		LIABILITIES CURRENTLY PAYABLE	
Employees' contributions in process of collection	770,251	Tax appropriations in excess of current requirements, payable to the City and County of San Francisco	\$ 311,122
City and County of San Francisco contributions and reimbursements	442,179	Credit to San Francisco Unified School District	430,663
Unexpended proceeds from sale of bonds	2,423,688	Accumulated contributions of former members	23,261
Funds advanced for purchase of bonds	2,240,625	Administrative and compensation costs payable	63,728
Proceeds from matured bonds in process of collection	151,000		828,784
		RESERVES	
		For current service benefits already granted	
BOND INVESTMENTS AT AMORTIZED VALUE		Service retirements	
(Par Value - \$ 302,177,300)		Annuities	16,036,106
United States Government	37,817,022	Pensions	41,226,399
California State	1,416,826	Disability retirements	
State	1,815,924	Annuities	2,303,964
California municipalities	6,639,665	Pensions	22,506,251
Other municipalities	2,051,208	Industrial death allowances	
Authorities	854,887	Annuities	395,589
Public Utilities	190,373,703	Pensions	4,782,161
Railroads	38,223,678	For current service benefits not yet granted	
Industrial companies	16,261,482	Members' accumulated contributions	96,542,395
Financial institutions	1,000,000	City and County of San Francisco accumulated contributions	106,246,438
International Bank for Reconstruction and Development	1,000,000	For death benefits on deposit	202,788,853
		City and County of San Francisco contributions reserved for benefits not otherwise funded	6,023
		Unallocated earnings from the sale of bonds	2,830,297
		Contingency reserve against adverse experience	343,684
		Mortality stabilization reserve	3,691,866
		Unallocated	12,312,426
			\$ 306,360,537
			\$ 306,360,537

San Francisco City and County Employees' Retirement System

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED JUNE 30, 1963

MEMBERS' CONTRIBUTIONS					
Normal					
General	\$ 7,660,141	Total reserve additions forward			\$ 34,100,246
Police	809,294	DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Fire	717,332	Allowances and benefits paid			
Additional	9,186,767	From accumulated contributions			
Redeposit of withdrawn contributions	25,468	Members	2,655,794		
	<u>35,919</u>	City and County of San Francisco	6,846,001		
		From City and County of			
		San Francisco	5,011,992	14,513,787	
		County of San Francisco		360	
		Monthly death benefit instalments		<u>2,459,350</u>	16,973,497
		Accumulated contributions withdrawn			462,009
		ADMINISTRATIVE EXPENSES PAID (CONTRA)			
		COMPENSATION COSTS INCURRED (CONTRA)			
		Weekly benefits	331,309		
		Medical expenses	39,486		
		Administrative expenses	79,681		
			<u>740,481</u>		
		Less Subrogation recoveries	737,160		
		Reimbursements from special funds	<u>3,321</u>	297,207	439,953
		RETROACTIVE SOCIAL SECURITY PAYMENTS			
		Total reserve reductions			<u>496,976</u>
		EXCESS OF RESERVE ADDITIONS OVER			18,372,435
		REDUCTIONS			
		RESERVES AT JUNE 30, 1962			13,727,811
		RESERVES AT JUNE 30, 1963			<u>289,803,942</u>
		For current service benefits already granted		87,250,470	
		For current service benefits not yet granted		202,788,833	
		For death benefits on deposit		6,023	
		City and County of San Francisco			
		contributions reserved for benefits not otherwise funded		2,830,297	
		Unallocated earnings from sale of bonds		343,684	
		Contingency reserve against adverse experience		<u>12,312,426</u>	
		Total			\$ 305,431,753
				34,100,246	

San Francisco City and County Employees' Retirement System

NOTES TO FINANCIAL STATEMENTS

June 30, 1963

The Retirement System has estimated the reserve requirements at June 30, 1963 for compensation claims pending under the workmen's compensation laws of the State of California to be \$ 2,850,000. Compensation claims are paid by the Retirement System out of funds provided by the City and County of San Francisco in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

Reserves are not provided to meet pension requirements for current or prior service of policemen retired under charter section 166 or of firemen retired under charter section 169 nor for prior service of other members. These benefits are provided out of current contributions of the City and County of San Francisco. The estimated requirements for these benefits at June 30, 1959, were \$ 61,440,000, based on an actuarial survey at that date.

852-5-5108

